



**ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2009**

**CITY OF WOODBURN**  
**CITY OFFICIALS**  
**For the Year Ended June 30, 2009**

Term Expires/Expired  
December 31,

**Mayor**

Kathryn Figley  
601 S. Settlemier  
Woodburn, OR 97071

2010

**Council Members**

Richard Pugh  
1880 Woodland Ave  
Woodburn, OR 97071

2012

J. Mel Schmidt  
840 Hermanson Street  
Woodburn, OR 97071

2012

Eric Morris  
1505 Hardcastle Ave  
Woodburn, OR 97071

2012

Pete McCallum  
370 Ironwood Terrace  
Woodburn, OR 97071

2010

Jim Cox  
1530 Ranier Way  
Woodburn, OR 97071

2010

Frank Lonergan  
245 N 2<sup>nd</sup> Street  
Woodburn, OR 97071

2010

**Staff**

Scott Derickson, *City Administrator*  
Janice Zyryanoff, *Municipal Judge*  
N. Robert Shields, *City Attorney*  
Ignacio Palacios, *Finance Director*

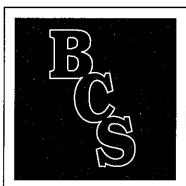
# CITY OF WOODBURN

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**BOLDT, CARLISLE & SMITH LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PARTNERSHIP ■ ASSURANCE ■ INNOVATION**

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of  
The City Council  
**CITY OF WOODBURN**  
Woodburn, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF WOODBURN** as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF WOODBURN**, as of June 30, 2009, the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Street Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages a through h is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Established - 1968

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## INDEPENDENT AUDITOR'S REPORT (Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Boldt, Carlisle & Smith LLC**

Certified Public Accountants

Salem, Oregon

February 10, 2010

By:



Douglas C. Parham, Member

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CITY OF WOODBURN

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ending June 30, 2009

As management of the City of Woodburn (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements in the financial section of this report.

### FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities at June 30, 2009 by \$97,708,273 (*net assets*). Of this amount, \$70,856,417 was invested in capital assets (net of related debt) and \$16,938,424 was restricted for specific purposes, leaving unrestricted net assets of \$9,913,432. Net assets include unrestricted net assets in the governmental activities of \$9,314,651 and \$598,781 in the business-type activities.

The largest portion of net assets is invested in capital assets (e.g., land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt are not provided by capital assets, but will be provided from other sources.

	Governmental Activities (\$1,000's)		Business-type Activities (\$1,000's)		Totals (\$1,000's)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Assets</b>						
Current and other assets	\$ 19,918	\$ 21,936	\$ 9,067	\$ 8,721	\$ 28,985	\$ 30,657
Capital assets	<u>52,232</u>	<u>49,988</u>	<u>62,034</u>	<u>63,983</u>	<u>114,266</u>	<u>113,971</u>
Total assets	<u>72,150</u>	<u>71,924</u>	<u>71,101</u>	<u>72,704</u>	<u>143,251</u>	<u>144,628</u>
<b>Liabilities</b>						
Long-term obligations	7,226	8,685	33,615	37,209	40,841	45,894
Other liabilities	<u>1,557</u>	<u>333</u>	<u>3,145</u>	<u>930</u>	<u>4,702</u>	<u>1,263</u>
Total liabilities	<u>8,783</u>	<u>9,018</u>	<u>36,760</u>	<u>38,139</u>	<u>45,543</u>	<u>47,157</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	44,544	42,295	26,312	26,849	70,856	69,144
Restricted	9,508	11,248	7,431	6,982	16,939	18,230
Unrestricted	<u>9,315</u>	<u>9,363</u>	<u>598</u>	<u>734</u>	<u>9,913</u>	<u>10,097</u>
Total net assets	<u>\$ 63,367</u>	<u>\$ 62,906</u>	<u>\$ 34,341</u>	<u>\$ 34,565</u>	<u>\$ 97,708</u>	<u>\$ 97,471</u>



The major capital asset associated with governmental activities is streets, including right of way, storm sewers, and sidewalks. In the business-type activities, the major capital assets are sewer and water infrastructure and associated plants.

Liquid assets, consisting of cash and investments, total \$26,177,923.

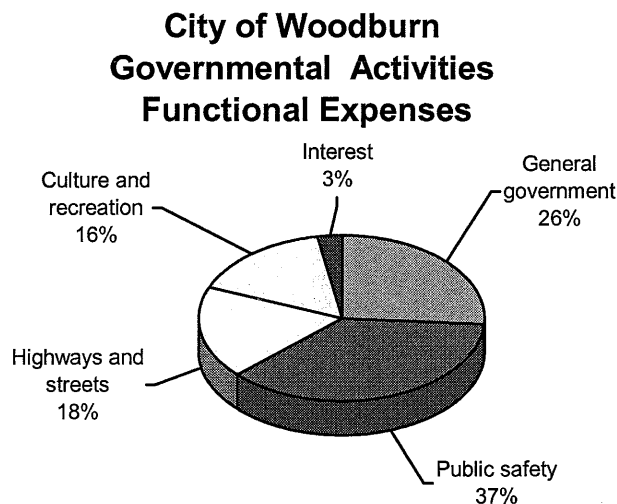
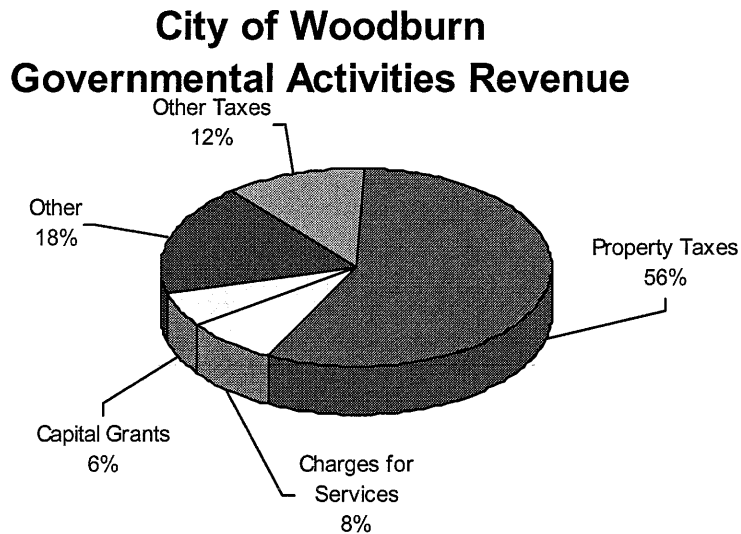
### CHANGES in NET ASSETS

	Governmental Activities (\$1,000's)		Business-type Activities (\$1,000's)		Totals (\$1,000's)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2008-07
<b>Revenues</b>						
Program						
Charges for services	\$ 1,118	\$ 1,317	\$ 7,956	\$ 7,399	\$ 9,074	\$ 8,716
OP grants and contributions	203	68	-	-	203	68
Capital grants and contributions	832	1,218	658	1,957	1,490	3,175
General						
Property taxes	8,410	8,058	-	-	8,410	8,058
Other taxes	1,705	1,720	-	-	1,705	1,720
Other grants and contributions	1,561	1,658	-	-	1,561	1,658
Other	887	1,506	175	352	1,062	1,858
Total revenues	<u>14,716</u>	<u>15,545</u>	<u>8,789</u>	<u>9,708</u>	<u>23,505</u>	<u>25,253</u>
<b>Expenses</b>						
General government	3,757	3,188	-	-	3,757	3,188
Public safety	5,307	4,734	-	-	5,307	4,734
Highways and streets	2,551	2,021	-	-	2,551	2,021
Culture and recreation	2,303	2,064	-	-	2,303	2,064
Interest on long-term debt	373	385	-	-	373	385
Water	-	-	3,153	3,150	3,153	3,150
Sewer	-	-	5,882	5,376	5,882	5,376
Total expenses	<u>14,291</u>	<u>12,392</u>	<u>9,035</u>	<u>8,526</u>	<u>23,326</u>	<u>20,918</u>
Increase (decrease) before transfers	425	3,153	(246)	1,182	179	4,335
Transfers	<u>(22)</u>	<u>(2,102)</u>	<u>22</u>	<u>2,102</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	403	1,051	(224)	3,284	179	4,335
Prior period adjustment	57	32	-	795	57	827
Net assets - beginning	<u>62,907</u>	<u>61,824</u>	<u>34,565</u>	<u>30,486</u>	<u>97,472</u>	<u>92,310</u>
Net assets - ending	<u>\$ 63,367</u>	<u>\$ 62,907</u>	<u>\$ 34,341</u>	<u>\$ 34,565</u>	<u>\$ 97,708</u>	<u>\$ 97,472</u>

The City's net assets increased by \$180,179 (0.5%). The nominal increase is due to the capital improvements in Streets, Sewer and Water systems.

The City's governmental activities net assets increased in the amount of \$403,769, and the net assets of the City's business-type activities decreased by \$223,590.

Property Taxes are the General fund's primary source of revenue. Property taxes comprise 56% of the city's governmental revenue and is derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness. Capital Grants include grants and loans for the construction of street and park facilities. Other is composed of System Development Charges intended to provide street and park infrastructure. Franchise fees and Transient Occupancy Taxes comprise Other Taxes and Charges for Services are fees charged for building permits and land use applications.



Expenses for Public Safety include the Police and the Municipal Court. Culture and Recreation includes the library, swimming pool, recreational programs, and the museum. General Government includes Land Use Planning, Parks Maintenance, and Administration.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are comprised of the Statement of Net Assets and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues, and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

The Statement of Net Assets presents information on all of the City's assets and liability-ties, including capital assets and long-term liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby functional costs are shown net of related program revenue. This statement shows the extent to which the functions depend on general taxes for support.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include streets, community development, public safety, culture & recreation, and administration. The business-type activities of the City include sewer and water utilities.

The government-wide financial statements include not only the City itself, but also the Woodburn Urban Renewal Agency. Although the agency is legally separate, it functions for all practical purposes as a part of the City, and therefore has been included as a blended component unit as an integral part of the primary government. The government-wide financial statements can be found on pages 1 and 2 of this report.

**Fund financial statements.** The fund financial statements focus on current available resources and are organized on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The General Fund, The Street Fund, the Transportation Impact Fee (TIF) Fund, and the Police Construction Fund are major funds. Information on these funds is presented separately in the governmental funds statements. The City maintains eighteen other individual governmental funds

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses its enterprise funds (pages 73-82) to account for its sewer and water utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds (pages 83-90) to account for its insurance, information systems, central stores, Public Works administration, and building maintenance operations.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for all of the enterprise funds, which are considered major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-35 of this report.

**Other supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents combining individual fund statements referred to earlier in connection with non-major governmental funds and internal service funds. Also included are the budgetary comparison Schedules of Revenues, Expenditures, and Changes in Fund Balances for all non-major special revenue funds, all debt service funds, and all capital projects funds.

## **FINANCIAL ANALYSIS OF FUNDS**

As of June 30, 2009, the City's governmental funds reported a combined fund balance of \$17,296,274, which is a decrease of \$2,121,087 from June 30, 2008.

The general fund is the primary operating fund of the City. As of June 30, 2009, the general fund balance is \$2,291,684, which is a decrease of \$283,523 from June 30, 2008. The decrease is due to capital projects in progress and a drop in fees.

## **BUDGETARY HIGHLIGHTS**

The City adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and all major special revenue funds (Street Fund) are required to be presented and are included in the basic financial statements on pages 6 and 7 of this report. Additionally, budgetary schedules for the other governmental funds have been provided to demonstrate compliance with the budget and can be found as part of other supplementary schedules on pages 36-72 of this report.

The changes between the original and final budget of the General Fund totaled \$278,760. Actual beginning fund balance was \$86,717 greater than budgeted, and the revenue budget was increased by \$125,611. Expenditure appropriations increased \$278,760. Contingencies were increased by \$58,264.

### Changes in General Fund Budget

Beginning fund balance	\$ 153,149
Intergovernmental	39,031
Other	<u>86,580</u>
 Total revenues	 <u>278,760</u>
 General government	 20,639
Public safety	169,547
Culture and recreation	30,310
Contingencies	<u>58,264</u>
 Total expenditures	 <u><u>\$ 278,760</u></u>

### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2009, the City had invested \$114,266,346 (net of depreciation) in capital assets of its governmental and business-type activities. This investment includes land and land improvements, buildings, equipment and public infrastructure (streets, water, and sewer). The investment in governmental activities capital assets increased by \$2,186,907, and capital assets of business-type activities decreased by \$1,948,739. Changes in governmental activities are due capital projects for the street system. The decrease in business-type activities is a due to depreciation on business-type capital assets.

Additional information on the City's capital assets may be found in note 5 to the basic financial statements.

The City issued no new governmental activity obligations during the year. The total governmental activities long-term obligations outstanding as of June 30, 2009, were \$8,122,079. No new business-type activity obligations were issued during the year ended June 30, 2009. The total business-type activities long-term obligations outstanding as of June 30, 2009 were \$35,755,503. During the year ending June 30, 2009, the City retired a total of \$2,617,036 in principal on long-term obligations.

A summary of the City's long-term obligations outstanding on June 30, 2009, is as follows:

General obligation bonds	\$ 13,468,522
Loans	29,904,626
Compensated absences	<u>504,434</u>
Total	<u><u>\$ 43,877,582</u></u>

Additional information about the City's long-term obligations can be found in Note 7 to the basic financial statements.

## **ECONOMIC and LEGAL FACTORS**

The recession that afflicted the rest of the nation caught up to Oregon in spring of 2008. Land development and building construction activity has ground to a halt and continues to remain stagnant. Land development and construction are not expected to pick up significantly until later in 2011, unless the State Court of Appeals approves the expansion of Woodburn's Urban Growth Boundary. The UGB expansion has drug on for many years and is nearing the final stage. If approved, the UGB expansion would allow more industrial development.

The recession has affected the Property Tax collection rate. The State allows property taxes to be paid in one, two, or three installments over the year. More than in the past, property owners are spreading payments over the year. More properties are becoming delinquent. There has been very little construction to add to next year's levy, and since property values are not increasing, there will be no increase from that source.

Franchise fees are the second largest source of revenue in the General Fund. Revenue from these fees are expected to remain at current levels in the next fiscal year.

Woodburn's economy depends on retail, tourism, produce packing, and warehousing. All four industries have been affected by the recession are expected to continue at depressed levels through 2010-11.

The City is not aware of any pending or threatened litigation or claims that would have a material effect on the financial statements.

## **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability.

If you have questions about the report or need additional financial information, please contact the City Finance Director at 270 Montgomery, Woodburn, Oregon or at (503) 982-5217.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WOODBURN**

**STATEMENT OF NET ASSETS**

**June 30, 2009**

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 17,661,642	\$ 8,516,281	\$ 26,177,923
Restricted cash and investments	-	181,794	181,794
Receivables	1,806,257	468,765	2,275,022
Prepaid items	1,827	-	1,827
Internal balances	318,227	(318,227)	-
Due from fiduciary funds	120,668	-	120,668
Inventories	8,971	218,527	227,498
Capital assets:			
Land, improvements and construction in progress	32,573,801	2,100,919	34,674,720
Other capital assets, net of depreciation	<u>19,658,207</u>	<u>59,933,419</u>	<u>79,591,626</u>
<b>TOTAL ASSETS</b>	<u>72,149,600</u>	<u>71,101,478</u>	<u>143,251,078</u>
<b>LIABILITIES</b>			
Accounts payable and accrued items	434,033	314,593	748,626
Accrued interest payable	17,533	501,304	518,837
Liabilities payable from restricted cash and investments			
Accounts payable	-	51,252	51,252
Customer deposits	-	100,318	100,318
Net other post-employment benefit obligation	209,409	36,781	246,190
Long-term obligations:			
Due within one year	896,218	2,140,356	3,036,574
Due in more than one year	<u>7,225,861</u>	<u>33,615,147</u>	<u>40,841,008</u>
<b>TOTAL LIABILITIES</b>	<u>8,783,054</u>	<u>36,759,751</u>	<u>45,542,805</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	44,544,343	26,312,074	70,856,417
Restricted for:			
Capital projects	7,792,376	7,430,872	15,223,248
Debt service	1,292,990	-	1,292,990
Highways and streets	422,186	-	422,186
Unreserved	<u>9,314,651</u>	<u>598,781</u>	<u>9,913,432</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 63,366,546</u>	<u>\$ 34,341,727</u>	<u>\$ 97,708,273</u>

*See notes to basic financial statements*



# CITY OF WOODBURN

## STATEMENT OF ACTIVITIES For the Year Ended June 30, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>							
General government	\$ 3,756,371	\$ 830,756	\$ -	\$ 116,810	\$ (2,808,805)		\$ (2,808,805)
Public safety	5,307,214	66,361	111,603	-	(5,129,250)		(5,129,250)
Highways and streets	2,551,235	28,360	-	491,893	(2,030,982)		(2,030,982)
Culture and recreation	2,303,144	192,027	91,390	223,695	(1,796,032)		(1,796,032)
Interest on long-term obligations	373,223	-	-	-	(373,223)		(373,223)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>14,291,187</b>	<b>1,117,504</b>	<b>202,993</b>	<b>832,398</b>	<b>(12,138,292)</b>		<b>(12,138,292)</b>
<b>Business-type activities</b>							
Water	3,153,158	3,480,559	-	270,533		\$ 597,934	597,934
Sewer	5,882,350	4,475,410	-	387,433		(1,019,507)	(1,019,507)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>9,035,508</b>	<b>7,955,969</b>	<b>-</b>	<b>657,966</b>		<b>(421,573)</b>	<b>(421,573)</b>
<b>Totals</b>	<b>\$ 23,326,695</b>	<b>\$ 9,073,473</b>	<b>\$ 202,993</b>	<b>\$ 1,490,364</b>	<b>\$ (12,138,292)</b>	<b>\$ (421,573)</b>	<b>\$ (12,559,865)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for:							
General purposes					7,212,614	-	7,212,614
Debt service					1,197,527	-	1,197,527
Franchise taxes					1,433,900	-	1,433,900
Transient room taxes					270,987	-	270,987
Other grants and contributions not restricted							
to specific programs					1,560,920	-	1,560,920
Unrestricted investment earnings					168,744	166,905	335,649
Miscellaneous					746,488	11,621	758,109
(Loss) on sales of capital assets					(26,999)	(2,663)	(29,662)
<b>Transfers</b>					(22,120)	22,120	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>12,542,061</b>	<b>197,983</b>	<b>12,740,044</b>
<b>CHANGE IN NET ASSETS</b>					<b>403,769</b>	<b>(223,590)</b>	<b>180,179</b>
<b>NET ASSETS-BEGINNING</b>					<b>62,906,118</b>	<b>34,565,317</b>	<b>97,471,435</b>
<b>PRIOR PERIOD ADJUSTMENT</b>					<b>56,659</b>	<b>-</b>	<b>56,659</b>
<b>NET ASSETS-ENDING</b>					<b>\$ 63,366,546</b>	<b>\$ 34,341,727</b>	<b>\$ 97,708,273</b>

See notes to basic financial statements

## CITY OF WOODBURN

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

	General	Street	Transportation Impact Fee	Street/Storm Capital Improvement	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and investments	\$ 1,937,665	\$ 356,896	\$ 7,603,463	\$ 740,019	\$ 6,347,178	\$ 16,985,221
Receivables	752,620	76,637	-	9,196	966,846	1,805,299
Prepaid expenses	2,674	-	-	-	-	2,674
Due from other funds	123,202	-	-	-	-	123,202
<b>TOTAL ASSETS</b>	<b>\$ 2,816,161</b>	<b>\$ 433,533</b>	<b>\$ 7,603,463</b>	<b>\$ 749,215</b>	<b>\$ 7,314,024</b>	<b>\$ 18,916,396</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 134,701	\$ 39,982	\$ 53,807	\$ 84,785	\$ 52,578	\$ 365,853
Due to other funds	5,724	15	-	-	6	5,745
Payable to other governments	2,361	-	-	-	-	2,361
Deferred revenue	381,691	-	-	-	863,539	1,245,230
Matured coupons payable	-	-	-	-	933	933
<b>TOTAL LIABILITIES</b>	<b>524,477</b>	<b>39,997</b>	<b>53,807</b>	<b>84,785</b>	<b>917,056</b>	<b>1,620,122</b>
<b>FUND BALANCES</b>						
Reserved for debt service	-	-	-	-	1,231,322	1,231,322
General fund	2,291,684	-	-	-	-	2,291,684
Special revenue funds	-	393,536	-	-	1,384,507	1,778,043
Capital projects funds	-	-	7,549,656	664,430	3,781,139	11,995,225
<b>TOTAL FUND BALANCES</b>	<b>2,291,684</b>	<b>393,536</b>	<b>7,549,656</b>	<b>664,430</b>	<b>6,396,968</b>	<b>17,296,274</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,816,161</b>	<b>\$ 433,533</b>	<b>\$ 7,603,463</b>	<b>\$ 749,215</b>	<b>\$ 7,314,024</b>	
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of						51,709,000
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:						
Property taxes earned but not available					\$ 455,555	
Assessments earned but not available					254,959	
Housing rehabilitation loans earned but not available					534,716	1,245,230
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets						1,382,348
The net post-employment benefits obligation is reported in the statement of net assets but is not reported in the funds						(209,409)
Long-term obligations, including accrued interest thereon are not due and payable in the current period and therefore are not reported in the funds						(8,056,897)
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>						<b>\$ 63,366,546</b>

See notes to basic financial statements

## CITY OF WOODBURN

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2009**

	General	Street	Transportation Impact Fee	Street/Storm Capital Improvement	Other Governmental Funds	Totals
<b>REVENUES</b>						
Property taxes	\$ 6,970,060	\$ -	\$ -	\$ -	\$ 1,342,021	\$ 8,312,081
System development charges	-	-	153,404	-	-	153,404
Franchise fees	1,357,707	-	-	357,064	242,720	1,957,491
Fines and forfeitures	633,814	-	-	-	13,275	647,089
Permits and fees	49,830	447	-	-	89,764	140,041
Intergovernmental	531,170	890,793	-	240,250	720,849	2,383,062
Investment earnings	52,969	12,811	153,330	10,957	161,888	391,955
Miscellaneous	536,815	3,966	22,169	2,807	320,954	886,711
<b>TOTAL REVENUES</b>	<b>10,132,365</b>	<b>908,017</b>	<b>328,903</b>	<b>611,078</b>	<b>2,891,471</b>	<b>14,871,834</b>
<b>EXPENDITURES</b>						
Current						
General government	2,212,578	-	-	-	1,062,693	3,275,271
Public safety	5,061,070	-	-	-	3,400	5,064,470
Highways and streets	-	1,148,306	2,551	289,240	3,756	1,443,853
Culture and recreation	2,110,187	-	-	-	-	2,110,187
Debt service	-	-	-	-	982,100	982,100
Capital outlay	7,235	4,500	202,809	1,831,096	1,481,669	3,527,309
<b>TOTAL EXPENDITURES</b>	<b>9,391,070</b>	<b>1,152,806</b>	<b>205,360</b>	<b>2,120,336</b>	<b>3,533,618</b>	<b>16,403,190</b>
Excess (deficiency) of revenues over expenditures	741,295	(244,789)	123,543	(1,509,258)	(642,147)	(1,531,356)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	1,665	-	-	-	-	1,665
Transfers in	2,650	130,000	-	1,656,077	915,743	2,704,470
Transfers out	(1,029,133)	(292,753)	-	-	(1,973,980)	(3,295,866)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,024,818)</b>	<b>(162,753)</b>	<b>-</b>	<b>1,656,077</b>	<b>(1,058,237)</b>	<b>(589,731)</b>
Net change in fund balances	(283,523)	(407,542)	123,543	146,819	(1,700,384)	(2,121,087)
Fund balances at beginning of year	2,575,207	801,078	7,426,113	517,611	8,097,352	19,417,361
Fund balances at end of year	\$ 2,291,684	\$ 393,536	\$ 7,549,656	\$ 664,430	\$ 6,396,968	\$ 17,296,274

See notes to basic financial statements

**CITY OF WOODBURN**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (2,121,087)

*Amounts reported for governmental activities in the*

*Statement of Net Assets are different because of the following:*

Governmental funds report capital outlays as expenditures while government-wide statements report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:

Capitalized expenditures	\$ 3,419,127	
Depreciation	<u>(1,064,067)</u>	2,355,060

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets (140,785)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Property taxes	107,493	
Assessments	<u>(245,529)</u>	(138,036)

For the year ended June 30, 2009, the County has implemented the requirements of GASB Statement 45 which requires the reporting of an obligation for net other post-employment benefits. (209,409)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the government wide statements. 608,877

Some expenses reported in the government wide statements do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences	(36,313)
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Internal service funds are used by management to charge the costs of various functions to individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities 85,462

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 403,769

*See notes to basic financial statements*

**CITY OF WOODBURN**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 7,116,000	\$ 7,116,000	\$ 6,970,060	\$ (145,940)
Franchise fees	1,207,000	1,207,000	1,357,528	150,528
Fines and forfeitures	646,218	646,218	633,814	(12,404)
Permits and fees	119,500	119,500	49,830	(69,670)
Intergovernmental	467,018	506,049	531,170	25,121
Charges for services	1,050	1,050	-	(1,050)
Investment earnings	125,000	125,000	52,969	(72,031)
Miscellaneous	414,000	500,580	536,994	36,414
<b>TOTAL REVENUES</b>	<u>10,095,786</u>	<u>10,221,397</u>	<u>10,132,365</u>	<u>(89,032)</u>
<b>EXPENDITURES</b>				
Council and mayor	20,793	20,793	18,798	1,995
City administrator	336,975	336,975	294,028	42,947
City recorder	77,563	80,263	74,074	6,189
City attorney	172,524	172,524	143,150	29,374
Finance	237,337	237,337	228,952	8,385
Municipal court	204,564	206,064	203,749	2,315
Non-departmental	134,403	152,342	136,925	15,417
Police	5,027,516	5,195,563	5,066,905	128,658
Library	991,586	1,006,186	958,478	47,708
Leisure services	429,526	431,636	319,301	112,335
Swimming pool	666,700	671,700	618,885	52,815
Community service administrator	342,042	350,642	326,492	24,150
Planning	578,554	578,554	462,495	116,059
Parks maintenance	538,130	538,130	538,838	(708)
Contingencies	1,175,887	1,234,151	-	1,234,151
<b>TOTAL EXPENDITURES</b>	<u>10,934,100</u>	<u>11,212,860</u>	<u>9,391,070</u>	<u>1,821,790</u>
Excess (deficiency) of revenues over expenditures	<u>(838,314)</u>	<u>(991,463)</u>	<u>741,295</u>	<u>1,732,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale capital assets	-	-	1,665	1,665
Transfers in	-	-	2,650	2,650
Transfers out	(1,227,900)	(1,227,900)	(1,029,133)	198,767
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,227,900)</u>	<u>(1,227,900)</u>	<u>(1,024,818)</u>	<u>203,082</u>
Net change in fund balances	(2,066,214)	(2,219,363)	(283,523)	1,935,840
Fund balance at beginning of year	2,334,214	2,487,363	2,574,080	86,717
Fund balance at end of year	<u>\$ 268,000</u>	<u>\$ 268,000</u>	<u>\$ 2,290,557</u>	<u>\$ 2,022,557</u>

*See notes to basic financial statements*

**CITY OF WOODBURN**

**STREET - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Permits and fees	\$ 2,000	\$ 2,000	\$ 447	\$ (1,553)
Intergovernmental	1,035,000	921,000	890,793	(30,207)
Investment earnings	33,000	33,000	12,811	(20,189)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>3,966</u>	<u>(1,034)</u>
<b>TOTAL REVENUES</b>	<u>1,075,000</u>	<u>961,000</u>	<u>908,017</u>	<u>(52,983)</u>
<b>EXPENDITURES</b>				
Street repair and maintenance	1,045,711	1,305,780	820,852	484,928
Street cleaning	107,820	227,820	194,448	33,372
Street administration	183,559	183,559	137,506	46,053
Contingencies	<u>63,313</u>	<u>43,990</u>	<u>-</u>	<u>43,990</u>
<b>TOTAL EXPENDITURES</b>	<u>1,400,403</u>	<u>1,761,149</u>	<u>1,152,806</u>	<u>608,343</u>
Excess (deficiency) of revenues over expenditures	<u>(325,403)</u>	<u>(800,149)</u>	<u>(244,789)</u>	<u>555,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	300,000	330,000	130,000	(200,000)
Transfers out	<u>(332,753)</u>	<u>(292,753)</u>	<u>(292,753)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(32,753)</u>	<u>37,247</u>	<u>(162,753)</u>	<u>(200,000)</u>
Net change in fund balances	(358,156)	(762,902)	(407,542)	355,360
Fund balance at beginning of year	<u>396,332</u>	<u>801,078</u>	<u>801,078</u>	<u>-</u>
Fund balance at end of year	<u>\$ 38,176</u>	<u>\$ 38,176</u>	<u>\$ 393,536</u>	<u>\$ 355,360</u>

*See notes to basic financial statements*

## CITY OF WOODBURN

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2009

	Business-type Activities / Enterprise Funds						Governmental
		Water	Wastewater	Wastewater	Other		Activities
	Water	Well	Treatment	Treatment	Enterprise	Totals	Internal
		Construction	Plant	Plant	Funds		Service
<b>ASSETS</b>							Funds
Current assets							
Cash and investments	\$ 574,715	\$ 5,184,487	\$ 410,046	\$ 759,094	\$ 1,587,939	\$ 8,516,281	\$ 676,421
Restricted cash and investments	153,572	-	-	28,222	-	181,794	-
Receivables	89,550	126,077	136,345	116,793	-	468,765	958
Due from other funds	-	482,000	-	-	-	482,000	3,211
Prepaid items	-	-	-	-	-	-	(847)
Inventory	130,561	-	87,966	-	-	218,527	8,971
Total current assets	948,398	5,792,564	634,357	904,109	1,587,939	9,867,367	688,714
Capital assets							
Land, improvements, and construction in progress	475,547	-	1,625,372	-	-	2,100,919	-
Other capital assets, net	22,806,955	-	37,126,464	-	-	59,933,419	523,008
Total capital assets, net	23,282,502	-	38,751,836	-	-	62,034,338	523,008
<b>TOTAL ASSETS</b>	<b>24,230,900</b>	<b>5,792,564</b>	<b>39,386,193</b>	<b>904,109</b>	<b>1,587,939</b>	<b>71,901,705</b>	<b>1,211,722</b>
<b>LIABILITIES</b>							
Current liabilities							
Accounts payable and accrued items	22,284	-	16,004	276,305	-	314,593	62,886
Due to other funds	-	-	-	482,000	-	482,000	-
Accrued interest payable	347,830	-	153,474	-	-	501,304	-
Liabilities payable from restricted assets:							
Accounts payable	51,252	-	-	-	-	51,252	-
Customer deposits	100,318	-	-	-	-	100,318	2,000
Compensated absences payable	34,280	-	35,740	-	-	70,020	82,715
Current portion of long-term obligations	556,802	-	1,513,534	-	-	2,070,336	-
Total current liabilities	1,112,766	-	1,718,752	758,305	-	3,589,823	147,601
Long-term obligations	13,611,179	-	20,040,749	-	-	33,651,928	-
<b>TOTAL LIABILITIES</b>	<b>14,723,945</b>	<b>-</b>	<b>21,759,501</b>	<b>758,305</b>	<b>-</b>	<b>37,241,751</b>	<b>147,601</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	9,131,369	-	17,217,486	-	-	26,348,855	523,008
Restricted for capital projects	-	5,792,564	-	145,804	1,492,504	7,430,872	-
Unrestricted	375,586	-	409,206	-	95,435	880,227	541,113
<b>TOTAL NET ASSETS</b>	<b>\$ 9,506,955</b>	<b>\$ 5,792,564</b>	<b>\$ 17,626,692</b>	<b>\$ 145,804</b>	<b>\$ 1,587,939</b>	<b>\$ 34,659,954</b>	<b>\$ 1,064,121</b>
Internal balances result from transactions between the governmental activities, business-type activities and internal service funds						(318,227)	
<b>NET ASSETS OF BUSINESS-TYPE ACTIVITIES</b>						<b>\$ 34,341,727</b>	

See notes to basic financial statements

## CITY OF WOODBURN

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2009**

	Business-type Activities / Enterprise Funds					Governmental	
	Water	Water Well Construction	Wastewater Treatment Plant	Wastewater Treatment Plant Construction	Other Enterprise Funds	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>							
Charges for services	\$ 1,798,549	\$ 1,643,074	\$ 2,446,714	\$ 2,028,696	\$ -	\$ 7,917,033	\$ 191,211
Rents	-	-	-	-	-	-	709,000
Total operating revenues	1,798,549	1,643,074	2,446,714	2,028,696	-	7,917,033	900,211
<b>OPERATING EXPENSES</b>							
Personal services	1,029,958	-	1,055,337	-	-	2,085,295	1,612,926
Materials and services	549,063	25,815	786,765	729,413	-	2,091,056	1,349,555
Depreciation	541,622	-	1,862,636	-	-	2,404,258	44,599
Total operating expenses	2,120,643	25,815	3,704,738	729,413	-	6,580,609	3,007,080
Operating income (loss)	(322,094)	1,617,259	(1,258,024)	1,299,283	-	1,336,424	(2,106,869)
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	14,773	94,791	9,602	8,375	39,364	166,905	10,277
System development charges	-	-	-	-	657,966	657,966	-
Other	41,505	-	9,052	-	-	50,557	552,997
Interest expense	-	(371,205)	-	(676,746)	(459,287)	(1,507,238)	-
Gain (loss) on sale of capital assets	-	-	(2,663)	-	-	(2,663)	-
Total nonoperating revenues (expenses)	56,278	(276,414)	15,991	(668,371)	238,043	(634,473)	563,274
Income (loss) before transfers	(265,816)	1,340,845	(1,242,033)	630,912	238,043	701,951	(1,543,595)
<b>TRANSFERS</b>							
Transfers in	655,789	-	1,329,002	-	-	1,984,791	1,408,540
Transfers out	(372,210)	(382,468)	(482,670)	(841,751)	(563,452)	(2,642,551)	(47,264)
Total transfers	283,579	(382,468)	846,332	(841,751)	(563,452)	(657,760)	1,361,276
Change in net assets	17,763	958,377	(395,701)	(210,839)	(325,409)	44,191	(182,319)
Net assets - beginning of year	9,489,192	4,834,187	18,022,393	356,643	1,913,348	34,615,763	1,246,440
Net assets - end of year	\$ 9,506,955	\$ 5,792,564	\$ 17,626,692	\$ 145,804	\$ 1,587,939	34,659,954	\$ 1,064,121
Change in net assets, per above						44,191	
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.						(267,781)	
<b>CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES</b>						\$ (223,590)	

See notes to basic financial statements



**CITY OF WOODBURN**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2009**

	Business-type Activities / Enterprise Funds					Governmental
	Water	Water Well Construction	Wastewater Treatment Plant	Wastewater Treatment Plant Construction	Other Enterprise Funds	Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 1,781,845	\$ 1,619,578	\$ 2,424,481	\$ 2,004,521	\$ -	\$ 7,830,425
Payments to suppliers	(562,258)	(28,872)	(858,210)	(564,061)	-	(2,013,401)
Payments to employees	(1,017,361)	-	(1,035,978)	-	-	(2,053,339)
Other	(69,002)	(53,386)	(97,035)	(30,518)	-	(249,941)
Net cash provided by (used in) operating activities	133,224	1,537,320	433,258	1,409,942	-	3,513,744
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers in	85,000	-	-	-	-	85,000
Transfers out	(372,210)	-	(482,670)	-	-	(854,880)
Net cash provided by (used in) non-capital financing activities	(287,210)	-	(482,670)	-	-	(769,880)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
System development charges	-	-	-	-	657,966	657,966
Acquisition of capital assets	-	-	(28,959)	(317,103)	-	(346,062)
Proceeds from long-term obligations	-	-	-	562,045	-	-
Principal paid on long-term obligations	-	(369,354)	-	(1,078,220)	(563,452)	(2,011,026)
Interest paid on long-term obligations	-	(384,319)	-	(685,219)	(459,287)	(1,528,825)
Net cash (used in) capital and related financing activities	-	(753,673)	(28,959)	(1,518,497)	(364,773)	(3,227,947)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest	14,773	94,791	9,602	8,375	39,364	166,905
Net increase (decrease) in cash and cash equivalents	(139,213)	878,438	(68,769)	(100,180)	(325,409)	244,867
Cash and cash equivalents--beginning of year	713,928	4,306,049	478,815	859,274	1,913,348	8,271,414
Cash and cash equivalents--end of year	\$ 574,715	\$ 5,184,487	\$ 410,046	\$ 759,094	\$ 1,587,939	\$ 8,516,281
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>						
Operating income (loss)	\$ (322,094)	\$ 1,617,259	\$ (1,258,024)	\$ 1,299,283	\$ -	\$ 1,336,424
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	541,622	-	1,862,636	-	-	2,404,258
Other	41,505	-	9,052	-	-	50,557
(Increase) decrease in assets						
Receivables	(16,704)	(23,496)	(22,233)	(24,175)	-	(86,608)
Due from other funds	38	(45,844)	-	-	-	(45,806)
Prepaid items	-	-	-	-	-	-
Inventory	2,804	-	(3,769)	-	-	(965)
Restricted cash and investments	21,400	-	-	-	-	21,400
Increase (decrease) in liabilities						
Accounts payable and accrued items	(14,278)	(3,057)	(67,676)	165,352	-	80,341
Due to other funds	(112,539)	(7,542)	(106,087)	(30,518)	-	(256,686)
Customer deposits	(21,127)	-	-	-	-	(21,127)
Compensated absences payable	(4,251)	-	(574)	-	-	(4,825)
Net other postemployment benefit obligation	16,848	-	19,933	-	-	36,781
Net cash provided by (used in) operating activities	\$ 133,224	\$ 1,537,320	\$ 433,258	\$ 1,409,942	\$ -	\$ 3,513,744
<b>Supplemental Disclosure</b>						
Noncash noncapital financing activities						
During the year, the City's Wastewater Treatment Plant fund received a noncash transfer of capital assets from governmental activities in the amount of \$112,120.						

See notes to basic financial statements

**CITY OF WOODBURN**

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2009**

	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 179,664
Restricted cash and investments	<u>433,422</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 433,422</u>	<u>\$ 179,664</u>
<b>LIABILITIES</b>		
Due to General Fund	\$ -	\$ 120,668
Trust deposits	<u>-</u>	<u>58,996</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>\$ 179,664</u>
<b>NET ASSETS</b>		
Held in trust for benefits and other purposes	<u>\$ 433,422</u>	

*See notes to basic financial statements*

**CITY OF WOODBURN**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

**For the Year Ended June 30, 2009**

	<u><b>Pension Trust</b></u>
<b>ADDITIONS</b>	
Earnings on investments	<u>\$ 14,365</u>
<b>DEDUCTIONS</b>	
Refunds of contributions	115,244
Fees	<u>10,940</u>
Total deductions	<u>126,184</u>
Change in net assets	(111,819)
Net assets - beginning	<u>545,241</u>
Net assets - ending	<u><u>\$ 433,422</u></u>

*See notes to basic financial statements*

## CITY OF WOODBURN

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

#### 1. Summary of significant accounting policies

##### A. Organization (reporting entity)

Control of the City is vested in its mayor and council members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the mayor and council. The chief administrative officer is the City Administrator.

The accompanying basic financial statements present all funds, account groups, and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The city council serves as the governing board of the WOODBURN URBAN RENEWAL AGENCY. Therefore, the accounts of the agency are included in the financial statements of the City.

Complete financial statements for the WOODBURN URBAN RENEWAL AGENCY may be obtained from the City's finance department.

##### B. Government-wide and fund financial statements

###### *Government-wide Financial Statements*

The statement of net assets and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

###### *Fund Financial Statements*

The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental, proprietary and fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principal Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectable within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

The City reports the following major governmental funds:

- *General* – accounts for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, library operations, and parks and recreations.
- *Street* – accounts for the repair, maintenance, and construction of city streets.
- *Transportation Impact Fee* – accounts for system development for traffic controls and street construction.
- *Street/Storm Capital Improvement* – accounts for expenditures on major construction projects or equipment acquisition for street and storm capital improvements.

The City reports the following major proprietary funds:

- *Water* – accounts for water services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations
- *Water Well Construction* – accounts for the construction of water wells. The principal revenue source is transfers from the Water Fund.
- *Wastewater Treatment Plant* – accounts for the treatment of wastewater generated in the City. The primary revenue source is from user fees.
- *Wastewater Treatment Plant Construction* – accounts for the construction of the plant. The primary sources of revenue are user fees and proceeds from long-term obligations.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

Additionally, the City reports the following fund types:

- *Special Revenue* – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.
- *Debt Service* – accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.
- *Capital Projects* – accounts for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of City owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.
- *Enterprise* – accounts for services rendered to the public on a user charge basis and are predominately self-supporting
- *Internal Services* – accounts for services provided to other departments or agencies within the City on a cost reimbursement basis.
- *Pension Trust* – accounts for funds held to provide retirement benefits to City employees.
- *Agency* – accounts for amounts held by the City on behalf of others in a fiduciary capacity.

#### D. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### D. Budget policies and budgetary control (continued)

The ordinance authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds, except the General, Transit System, Street, Parks/Recreation Capital Improvement, Water, Wastewater Treatment Plant, Wastewater Plant Construction, Water Well Construction, and Technical and Environmental Services funds for which budgetary control is established at the department level.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City Council must authorize all appropriation transfers and supplementary budgetary appropriations.

#### E. Use of estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### F. Cash and cash equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the City Treasurer's investment pool, to be cash equivalents.

#### G. Financial instruments

Statement of Financial Accounting Standards No. 107 requires all entities to disclose the fair value of certain financial instruments in their financial statements. Accordingly, the management reports that the carrying amount of cash equivalents, receivables, accounts payable and accrued expenses approximate fair value due to the short maturity of these instruments. The carrying amounts of long-term notes payable approximate fair value based on comparisons to the market rate of interest.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### H. Inventories

Inventories purchased are stated at cost (first-in, first-out method). Inventories are recorded as expenditures when purchased or donated. Inventories are offset by a fund balance reserve, as they do not constitute available expendable resources.

#### I. Receivables

Property taxes in the governmental fund types, which have been collected within sixty days following year-end, are considered measurable and available and are recognized as revenues. Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue. All other property taxes receivable are offset by deferred revenues and accordingly, have not been recognized as revenue. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

All property taxes receivable are due from owners of property within the City.

Receivables for state shared revenue are recorded as revenue in all fund types as earned.

User charges receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off.

#### J. Capital assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Capital assets include public domain (infrastructure) capital assets consisting of certain improvements including roads, bridges, lighting system, drainage systems, and flood control. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. In the government-wide statements, capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives.

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Buildings and improvements	35 to 50 years
Equipment	3 to 20 years
Water and sewer lines	20 to 50 years

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **1. Summary of significant accounting policies (continued)**

#### **K. Interfund transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

#### **L. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **M. Compensated absences - sick leave**

The City has a policy which permits represented employees and sworn officers to earn sick leave at the rate of 8 hours per month and accumulate up to a maximum of 960 hours. All other full-time employees earn sick leave at the rate of 8 hours per month and may accumulate an unlimited amount of sick leave. All sick leave lapses upon termination of employment.

### **2. Deposits and investments**

The City maintains a pool of cash and investments that are available for use by all funds, except for the Pension Trust Fund. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any City, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

*Credit risk:* Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. Then pension trust is authorized to invest in a variety of debt and equity securities.

As of June 30, 2009, the City had the following investments:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	\$ 22,190,149
Managed Fixed Income Account (Pension Trust)	N/A	<u>434,422</u>
Total		<u>\$ 22,624,571</u>

*Interest Rate Risk:* The City's investment policy limits investment maturities to no more than 18 months as a means of managing its exposure to fair-value losses arising from increases in interest rates.

*Concentration of Credit Risk:* The City's investment policy places a limit on the amount that can be invested in any one issuer as follows:

- U.S. Government Agencies – No more than 40% of the total portfolio in any one agency
- Banker's acceptances – No more than 25% of the total portfolio with any one institution
- Certificates of deposit with commercial banks and state and local government securities – No more than 15% of the total portfolio with any one financial institution or entity
- Commercial paper and repurchase agreements – No more than 10% of the total portfolio with any one entity or institution
- Certificates of deposit with savings and loan association – No more than 5% of the total portfolio with any one financial institution
- State of Oregon Investment Pool – Not to exceed \$20 million (\$10 million per account) with the exception of pass-through funds (in and out within 10 days)

Ninety-eight percent of the City's investments are in the State Treasurer's Investment Pool.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

*Custodial credit risk – deposits:* This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2009, none of the City's bank balances were exposed to custodial risk.

A. The City's deposits and investments at June 30, 2009 are as follows:

Total investments	\$ 22,624,571
Cash on hand	2,150
Deposits with financial institutions	<u>4,343,361</u>
Total deposits and investments	<u>\$ 26,970,082</u>

B. The City's deposits and investments at June 30, 2009 are shown below:

Cash and investments are reported as follows:

*Governmental funds/activities*

General	\$ 1,937,665
Street	356,896
Transportation Impact Fee	7,603,463
Street/Storm Capital Improvement	740,019
Other Governmental Funds	<u>6,347,178</u>
Total governmental funds	16,985,221
Internal service funds included in governmental activities	<u>676,421</u>
Total governmental activities	<u>17,661,642</u>

*Proprietary funds/business-type activities*

Unrestricted

Water	574,715
Water Well Construction	5,184,487
Wastewater Treatment Plant	410,046
Wastewater Treatment Plant Construction	759,094
Other Enterprise Funds	<u>1,587,940</u>
Total unrestricted	<u>8,516,282</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

#### *Proprietary funds/business-type activities (continued)*

##### Restricted

Water	\$	153,572
Wastewater Treatment Plant Construction		<u>28,222</u>

Total restricted		<u>181,794</u>
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Total proprietary funds/business-type activities		<u>8,698,075</u>
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#### *Fiduciary funds*

Pension Trust		433,422
Agency		<u>176,942</u>

Total fiduciary funds		<u>610,364</u>
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Total cash and investments	\$	<u>26,970,081</u>
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### 3. Receivables

A. The City's receivables at June 30, 2009 are shown below:

	Governmental funds/activities				Proprietary funds/business-type activities				Govern-	Totals
	General	Street	Capital Imp- rovement	Other Govern- mental Funds	Water	Construc- tion	Wastewater Treatment Plant	Wastewater Treatment Plant Construction	mental Activities Internal Service	
Property taxes	\$ 480,368	\$ -	\$ -	\$ 93,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573,451
Accounts	271,492	76,637	9,196	84,088	-	-	-	-	958	442,371
Intergovernmental	760	-	-	-	-	-	-	-	-	760
Assessments	-	-	-	254,959	-	-	-	-	-	254,959
User charges	-	-	-	-	89,550	126,077	136,345	116,793	-	468,765
Housing rehabil- itation loans	-	-	-	534,716	-	-	-	-	-	534,716
	<u>\$ 752,620</u>	<u>\$ 76,637</u>	<u>\$ 9,196</u>	<u>\$ 966,846</u>	<u>\$ 89,550</u>	<u>\$ 126,077</u>	<u>\$ 136,345</u>	<u>\$ 116,793</u>	<u>\$ 958</u>	<u>\$ 2,275,022</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Receivables (continued)

#### B. Property taxes

##### i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15. Marion County bills and collects property taxes for the City.

##### ii. Transactions

	Balances July 1, 2008	2008-09 Levy	Adjust- ments	Net Interest (Discounts)	Collections	Balances June 30, 2009
Current	\$ -	\$ 8,524,283	\$ (31,854)	\$ (207,711)	\$ 7,921,278	\$ 363,440
Prior	<u>473,188</u>	<u>-</u>	<u>(8,991)</u>	<u>29,657</u>	<u>283,843</u>	<u>210,011</u>
	<u>\$ 473,188</u>	<u>\$ 8,524,283</u>	<u>\$ (40,845)</u>	<u>\$ (178,054)</u>	<u>\$ 8,205,121</u>	<u>\$ 573,451</u>

##### iii. Ensuing year's levies

The permanent tax rate is \$6.0534 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The Woodburn Urban Renewal Agency will levy 100 percent of the amount of its authority under ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2009-10.

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

In addition, the City will levy \$514,500 for the retirement of long-term obligation principal and interest due in 2009-10.

### 4. Due from/to other funds

Amounts due from and to other funds consists of the following:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General	\$ 123,202	\$ 5,724
Street	--	15
Other governmental funds	--	6
Water well construction	482,000	--
Wastewater treatment plant construction	--	482,000
Internal service funds	3,211	--
Agency funds	<u>--</u>	<u>120,668</u>
Total	<u>\$ 608,413</u>	<u>\$ 608,413</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 5. Capital assets

A. Capital asset activity for the year ended June 30, 2009 is as follows:

	Balances (Restated) July 1, 2008	Additions	Deletions	Transfers	Balances June 30, 2009
<i>Governmental Activities</i>					
Capital assets not being depreciated					
Land	\$ 21,636,467	\$ -	\$ -	\$ -	\$ 21,636,467
Construction in progress	7,653,912	3,283,422	-	-	10,937,334
Total capital assets not being depreciated	29,290,379	3,283,422	-	-	32,573,801
Capital assets being depreciated					
Buildings	8,084,258	-	(12,351)	-	8,071,907
Equipment	5,667,498	101,765	(88,846)	(265,960)	5,414,457
Infrastructure	27,787,356	51,170	-	-	27,838,526
Total capital assets being depreciated	41,539,112	152,935	(101,197)	(265,960)	41,324,890
Less accumulated depreciation for:					
Buildings	2,934,508	172,995	(1,235)	-	3,106,268
Equipment	3,545,472	269,306	(71,298)	(153,840)	3,589,640
Infrastructure	14,304,410	666,365	-	-	14,970,775
Total accumulated depreciation	20,784,390	1,108,666	(72,533)	(153,840)	21,666,683
Total capital assets being depreciated, net	20,754,722	(955,731)	(28,664)	(112,120)	19,658,207
Governmental activities capital assets, net	\$ 50,045,101	\$ 2,327,691	\$ (28,664)	\$ (112,120)	\$ 52,232,008
<i>Business-type Activities</i>					
Capital assets not being depreciated					
Land	\$ 1,783,816	\$ -	\$ -	\$ -	\$ 1,783,816
Construction in progress	-	317,103	-	-	317,103
Total capital assets not being depreciated	1,783,816	317,103	-	-	2,100,919
Capital assets being depreciated					
Water and sewer lines	23,107,823	-	-	-	23,107,823
Buildings	62,273,893	-	-	-	62,273,893
Equipment	1,524,047	28,959	(49,059)	265,960	1,769,907
Total capital assets being depreciated	86,905,763	28,959	(49,059)	265,960	87,151,623
Less accumulated depreciation for:					
Water and sewer lines	6,237,946	504,207	-	-	6,742,153
Buildings	17,608,974	1,805,583	-	-	19,414,557
Equipment	859,582	94,468	(46,396)	153,840	1,061,494
Total accumulated depreciation	24,706,502	2,404,258	(46,396)	153,840	27,218,204
Total capital assets being depreciated, net	62,199,261	(2,375,299)	(2,663)	112,120	59,933,419
Business-type activities capital assets, net	\$ 63,983,077	\$ (2,058,196)	\$ (2,663)	\$ 112,120	\$ 62,034,338

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 5. Capital assets (continued)

B. Depreciation expense was charged to functions/programs as follows:

#### Governmental activities

General government	\$	223,285
Public safety		34,701
Highways and streets		739,164
Culture and recreation		<u>111,516</u>

Total depreciation expense – governmental activities	\$	<u>1,108,666</u>
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#### Business-type activities

Water	\$	541,622
Sewer		<u>1,862,636</u>

Total depreciation expense – business-type activities	\$	<u>2,404,258</u>
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### 6. Deferred revenue

Resources owned by the City, which are measurable but not available, are deferred in the Governmental Funds, as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Assessments	\$ --	\$ 254,959	\$ 254,959
Housing rehabilitation loans	--	534,716	534,716
Property taxes	<u>381,691</u>	<u>73,864</u>	<u>455,555</u>
Totals	<u>\$ 381,691</u>	<u>\$ 863,539</u>	<u>\$ 1,245,230</u>



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations

A. Transactions for the governmental activities during the year ended June 30, 2009 were as follows:

	Balances June 30, 2008	Additions	Reductions	Balances June 30, 2009	Due Within One year
<u>General Obligation Bonds</u>					
Series 1994					
Original issue \$1,755,000, 15 years; interest at various rates					
Principal	\$ 160,000	\$ -	\$ 160,000	\$ -	
Interest	1,808	6,992	8,800	-	
	<u>161,808</u>	<u>6,992</u>	<u>168,800</u>	<u>-</u>	
Series 2005					
Original issue \$7,066,000, 20 years; interest at various rates					
Principal	6,440,000	-	250,000	6,190,000	\$ 260,000
Interest	9,957	242,859	243,156	9,660	
	<u>6,449,957</u>	<u>242,859</u>	<u>493,156</u>	<u>6,199,660</u>	
<u>Loans</u>					
State of Oregon Economic Development Department - (OEDD) due in various annual installments of \$38,319 to \$37,495; interest at 5.01 percent					
Principal	275,962	-	23,660	252,302	23,834
Interest	8,021	13,121	13,809	7,333	
	<u>283,983</u>	<u>13,121</u>	<u>37,469</u>	<u>259,635</u>	
Bank of America					
Urban Renewal - due in quarterly installments of \$56,933; interest at 4.22 percent					
Principal	1,416,016	-	170,653	1,245,363	177,970
Interest	614	57,005	57,079	540	
	<u>1,416,630</u>	<u>57,005</u>	<u>227,732</u>	<u>1,245,903</u>	
<u>Capital leases</u>					
Government Leasing Company - 3 years, annual installments of \$1,896, interest at 6.29 percent					
Principal	1,697	-	1,697	-	
Interest	-	199	199	-	
	<u>1,697</u>	<u>199</u>	<u>1,896</u>	<u>-</u>	
<u>Compensated absences</u>	<u>390,874</u>	<u>389,999</u>	<u>346,459</u>	<u>434,414</u>	<u>434,414</u>
Totals	8,704,949	710,175	1,275,512	8,139,612	\$ 896,218
Accrued interest payable	20,400	320,176	323,043	17,533	
Total long-term obligations	<u>\$ 8,684,549</u>	<u>\$ 389,999</u>	<u>\$ 952,469</u>	<u>\$ 8,122,079</u>	

# NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

## 7. Long-term obligations (continued)

B. Transactions for the business-type activities during the year ended June 30, 2009 were as follows:

<u>Loans</u>	<u>Balances June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2009</u>	<u>Due Within One year</u>
Oregon Economic Development Department - due in annual installments of \$47,043; interest at 5.456 percent. Balance is allocated between governmental and business-type activities					
Principal	\$ 122,215	\$ -	\$ 36,567	\$ 85,648	\$ 41,476
Interest	4,704	8,989	10,475	3,218	
	<u>126,919</u>	<u>8,989</u>	<u>47,042</u>	<u>88,866</u>	
Oregon Economic Development Department - due in annual installments of \$29,102; interest at 6.32 percent					
Principal	100,106	-	22,775	77,331	24,214
Interest	3,675	5,477	6,327	2,825	
	<u>103,781</u>	<u>5,477</u>	<u>29,102</u>	<u>80,156</u>	
Oregon Economic Development Department - due in annual installments with interest at 4.74 percent					
Principal	320,658	-	24,485	296,173	24,687
Interest	9,009	14,829	15,510	8,328	
	<u>329,667</u>	<u>14,829</u>	<u>39,995</u>	<u>304,501</u>	
Oregon Economic Development Department - due in annual installments with interest at 4.21 percent					
Principal	3,588,890		148,734	3,440,156	154,996
Interest	87,758	147,058	151,092	83,724	
	<u>3,676,648</u>	<u>147,058</u>	<u>299,826</u>	<u>3,523,880</u>	
Oregon Department of Environmental Quality (ODEQ) - due in semi-annual installments of \$147,792; interest at 3.93 percent					
Principal	2,523,014	-	198,360	2,324,654	206,232
Interest	20,374	108,113	109,840	18,647	
	<u>2,543,388</u>	<u>108,113</u>	<u>308,200</u>	<u>2,343,301</u>	
Oregon Department of Environmental Quality - due in semi-annual installments of \$735,150; interest at 3.87 percent					
Principal	19,359,663	-	1,171,164	18,188,499	1,216,925
Interest	124,185	824,383	831,895	116,673	
	<u>19,483,848</u>	<u>824,383</u>	<u>2,003,059</u>	<u>18,305,172</u>	

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

B. Transactions for the business-type activities during the year ended June 30, 2009 were as follows (continued):

<u>Loans (continued)</u>	<u>Balances June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2009</u>	<u>Due Within One year</u>
Safe Drinking Water Revolving Loan Fund - (SDWRLF) due in annual installments starting in December 2004; interest at 4.21 percent starting in July 2004					
Principal	\$ 3,594,656	\$ -	\$ 162,201	\$ 3,432,455	\$ 154,996
Interest	<u>87,757</u>	<u>147,059</u>	<u>151,092</u>	<u>83,724</u>	
	<u>3,682,413</u>	<u>147,059</u>	<u>313,293</u>	<u>3,516,179</u>	
	<u>7,710,691</u>	<u>314,205</u>	<u>565,992</u>	<u>7,458,904</u>	
Oregon Department of Environmental Quality - due in semi-annual installments following project completion with interest at 1.05 percent					
Principal	-	370,804	-	370,804	-
Interest	<u>-</u>	<u>2,130</u>	<u>-</u>	<u>2,130</u>	
	<u>-</u>	<u>372,934</u>	<u>-</u>	<u>372,934</u>	
Oregon Department of Environmental Quality - due in semi-annual installments following project completion with interest at 1.53 percent					
Principal	-	191,241	-	191,241	-
Interest	<u>-</u>	<u>1,653</u>	<u>-</u>	<u>1,653</u>	
	<u>-</u>	<u>192,894</u>	<u>-</u>	<u>192,894</u>	
<u>General Obligation Bonds</u>					
Series 2003 Water Original issue \$8,400,000, 25 years; interest at various rates					
Principal	7,525,262	-	246,740	7,278,522	246,810
Interest	<u>185,429</u>	<u>314,205</u>	<u>319,252</u>	<u>180,382</u>	
<u>Compensated absences</u>	<u>74,845</u>	<u>72,035</u>	<u>76,860</u>	<u>70,020</u>	<u>70,020</u>
Totals	37,732,200	2,207,976	3,683,369	36,256,807	<u>\$ 2,140,356</u>
Accrued interest payable	<u>522,891</u>	<u>1,573,896</u>	<u>1,595,483</u>	<u>501,304</u>	
Total long-term obligations	<u>\$37,209,309</u>	<u>\$ 634,080</u>	<u>\$2,087,886</u>	<u>\$35,755,503</u>	

## 7. Long-term obligations (continued)

C. The future maturities of governmental activities obligations outstanding as of June 30, 2009 are as follows:

Fiscal Year	General Obligation Bonds		Loans			
	Series 2005		O.E.D.D.		Bank of America	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 260,000	\$ 243,156	\$ 23,834	\$ 12,685	\$ 177,970	\$ 49,763
2011	275,000	234,056	24,027	11,493	185,600	42,133
2012	290,000	224,431	24,228	10,291	193,557	34,175
2013	300,000	214,281	24,440	9,079	201,855	25,877
2014	320,000	203,781	29,663	7,857	210,509	17,223
2015-19	1,845,000	827,565	126,110	16,443	275,872	8,792
2020-24	2,355,000	420,048	-	-	-	-
2025-29	545,000	23,163	-	-	-	-
	<u>\$ 6,190,000</u>	<u>\$ 2,390,481</u>	<u>\$ 252,302</u>	<u>\$ 67,848</u>	<u>\$ 1,245,363</u>	<u>\$ 177,963</u>

Fiscal Year	Compensated Absences	Totals	
		Principal	Interest
2010	\$ 434,414	\$ 896,218	\$ 305,604
2011	-	484,627	287,682
2012	-	507,785	268,897
2013	-	526,295	249,237
2014	-	560,172	228,861
2015-19	-	2,246,982	852,800
2020-24	-	2,355,000	420,048
2025-29	-	545,000	23,163
	<u>\$ 434,414</u>	<u>\$ 8,122,079</u>	<u>\$ 2,636,292</u>

# NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

## 7. Long-term obligations (continued)

D. The future maturities of business-type activities obligations outstanding as of June 30, 2009 are as follows:

Fiscal Year	Loans							
	O.E.D.D.		O.E.D.D.		O.E.D.D.		O.E.D.D.	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 41,476	\$ 5,567	\$ 24,214	\$ 4,887	\$ 24,687	\$ 14,407	\$ 154,996	\$ 144,830
2011	44,172	2,871	25,744	3,357	29,901	13,284	161,521	138,306
2012	-	-	27,373	1,730	30,129	11,893	168,321	131,505
2013	-	-	-	-	30,372	10,461	175,407	124,419
2014	-	-	-	-	30,632	8,989	182,792	117,034
2015-19	-	-	-	-	150,452	19,226	1,036,079	463,051
2020-24	-	-	-	-	-	-	1,273,327	225,803
2025-29	-	-	-	-	-	-	287,713	12,112
2030-34	-	-	-	-	-	-	-	-
	<u>\$ 85,648</u>	<u>\$ 8,438</u>	<u>\$ 77,331</u>	<u>\$ 9,974</u>	<u>\$ 296,173</u>	<u>\$ 78,260</u>	<u>\$ 3,440,156</u>	<u>\$ 1,357,060</u>

Fiscal Year	Loans (continued)							
	DEQ		DEQ		SDWRLF		DEQ	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 206,232	\$ 100,975	\$ 1,216,925	\$ 780,163	\$ 154,996	\$ 144,830	\$ -	\$ -
2011	214,417	91,760	1,264,476	726,410	161,521	138,306	40,302	5,270
2012	222,925	82,178	1,313,885	670,557	168,321	131,505	81,271	3,413
2013	231,773	72,216	1,365,224	612,521	175,407	124,419	82,167	2,516
2014	240,972	61,860	1,418,569	552,217	182,792	117,034	83,073	1,610
2015-19	1,208,335	138,973	7,968,901	1,770,764	1,036,079	463,051	83,991	693
2020-24	-	-	3,640,519	196,261	1,273,327	225,803	-	-
2025-29	-	-	-	-	280,012	12,112	-	-
2030-34	-	-	-	-	-	-	-	-
	<u>\$ 2,324,654</u>	<u>\$ 547,962</u>	<u>\$ 18,188,499</u>	<u>\$ 5,308,893</u>	<u>\$ 3,432,455</u>	<u>\$ 1,357,060</u>	<u>\$ 370,804</u>	<u>\$ 13,502</u>

Fiscal Year	Loans (continued)		General Obligation Bonds				Compensated Absences	Totals	
	DEQ		Bonds - Series 2003, Water		Totals				
	Principal	Interest	Principal	Interest	Principal	Interest			
2010	\$ -	\$ -	\$ 246,810	\$ 312,035	\$ 70,020	\$ 2,140,356	\$ 1,507,694		
2011	-	4,452	253,064	304,630	-	2,195,118	1,428,646		
2012	8,396	3,102	259,485	296,279	-	2,280,106	1,332,162		
2013	8,535	2,963	271,065	287,068	-	2,339,950	1,236,583		
2014	8,675	2,823	282,734	277,241	-	2,430,239	1,138,808		
2015-19	45,567	11,925	1,573,590	1,210,579	-	13,102,994	4,078,262		
2020-24	49,444	8,047	1,951,592	840,524	-	8,188,209	1,496,438		
2025-29	53,652	3,841	2,440,182	348,635	-	3,061,559	376,700		
2030-34	16,972	279	-	-	-	16,972	279		
	\$ 191,241	\$ 37,432	\$ 7,278,522	\$ 3,876,991	\$ 70,020	\$ 35,755,503	\$ 12,595,572		

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Commitments

The City leases equipment and facilities under operating leases. Rental expenditures for the year ended June 30, 2009 were \$54,083

Future minimum lease payments for years subsequent to June 30, 2009 are as follows:

2009-10	\$	18,028
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### 9. Defined benefit pension plan – The Retirement Plan for Employees of City of Woodburn, Oregon

#### A. Plan description

The City sponsors a single-employer defined benefit pension plan that covers non-executive employees who have completed six months of employment with the City and executive employees, except the city administrator, who elect coverage under this plan. It provides retirement and disability benefits, cost of living adjustments and death benefits to members and beneficiaries. The City Council has the authority to amend the benefit provisions of the plan.

On November 5, 1998, the City decided to integrate its retirement plan into the Oregon Public Employees Retirement System (PERS) pursuant to ORS 238.680. The City ceased contributions to its retirement plan in December 1998, except for one employee who continued under the plan until August 2000. In December 1998, the City transferred \$6,738,120 to PERS under the integration agreement with PERS. The remaining assets of the retirement plan are to provide retirement benefits to employees who have already retired or elected to remain in the plan.

Membership of the plan consisted of eight inactive members at July 1, 2007, the date of the latest actuarial valuation available as of the date of this report.

#### B. Funding status and progress

The pension benefit obligation (PBO), which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help assess the funding status of the plan, to assess progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among employers. The latest actuarial valuation was performed as of July 1, 2007.

Significant actuarial assumptions used to compute the PBO were as follows:

Investment earnings	5.5% (net of all plan expenses)
Salary increases	none (effective July 1, 2001)
Cost-of-living increases	2.0%

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Defined benefit pension plan – The Retirement Plan for Employees of City of Woodburn, Oregon (Continued)

#### C. Schedule of employer contributions

<u>Fiscal Year Ended June 30,</u>	<u>Annual Required Contribution and Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
1992	\$ 336,849	100%	\$ --
1993	359,033	100%	--
1994	400,481	100%	--
1995	433,486	100%	--
1996	426,819	100%	--
1997	458,355	100%	--
1998	449,920	100%	--
1999	202,223	100%	--
2000	3,106	100%	--
2001	294	100%	--
2002	--	100%	--
2004	--	100%	--
2005	--	100%	--
2006	--	100%	--
2007	--	100%	--
2008	--	100%	--
2009	--	100%	--

### 10. Defined benefit pension plan – Oregon PERS

#### Retirement plan

The City contributes to the Oregon Public Employees' Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP), a cost sharing multiple-employer hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15, or 20 year period. Employees hired on or after August 29, 2003, participate only in OPSRP. Beginning January 1, 2007, active PERS members hired before August 29, 2003, became members of the IAP of OPSRP. These members retain their existing PERS account, however any future member contributions will be placed in the IAP. A copy of the Oregon Public Employees' Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit pension plan – Oregon PERS (continued)

City employees are required to participate after completing six months of service and meeting PERS eligibility requirements. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the City to pay this amount on behalf of the employees. The City's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the City's contribution rate is 10.79 percent of covered compensation. The City's contribution rate for employees hired after August 29, 2003 is 11.48 percent for general service employees and 14.75 percent for police officers beginning July 1, 2007.

The City's contribution to the plan for the years ending June 30, 2009, 2008, and 2007, were equal to the City's required contributions for each year as follows:

<u>Year Ended June 30,</u>	<u>City Contribution</u>	<u>Member Contribution</u>	<u>Totals</u>
2009	\$ 1,069,167	\$ 370,877	\$ 1,440,044
2008	884,997	434,632	1,319,629
2007	868,228	403,402	1,271,630

### 11. Defined contribution pension plan

The City sponsors a defined contribution pension plan administered by ICMA Retirement Corp. to provide retirement benefits for the City Attorney. The plan provisions and contribution requirements are established and amended by the City Council. The City has established a contribution rate of 7 percent of covered salary. The City contributed \$8,424 to the plan for the year ended June 30, 2009.

### 12. Other Post-Employment Benefits

For the year ended June 30, 2009, City of Woodburn has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* (GASB 45). This pronouncement requires the City to report a *net other post-employment benefit obligation* (NOPEBO) as of June 30, 2009. The City has implemented the requirements of GASB 45 on a prospective basis. The NOPEBO is, in general, the cumulative difference between the actuarial required contributions and actual contributions since July 1, 2008.

#### Plan description and benefits provided

The City provides *other post-employment benefits* (OPEB) for employees, retirees, spouses and dependents through a single employer defined contribution plan in the form of group health insurance benefits. As required by ORS 243.303(2) retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 45. The plan does not issue a separate stand-alone financial report.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. Other Post-Employment Benefits (continued)

#### Membership

The City's membership in the plan at August 1, 2008 (the date of the first actuarial valuation) consisted of the following:

Active employees	134
Retirees, spouses or dependents	<u>6</u>
Total	<u>140</u>

#### Funding policy and contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The premium requirements for the County are as follows:

For retirees	\$ 497
For spouses of retirees	522

The City has not established an irrevocable trust to accumulate assets to fund the cost of the net OPEB obligation that arises from the implicit subsidy.

#### Annual OPEB cost and net OPEB Obligation

The City had its first actuarial valuation performed as of August 1, 2008 to determine the *unfunded accrued actuarial liability* (UAAL), *annual required contribution* (ARC) and NOPEBO as of that date. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed fifteen years. The annual OPEB cost is equal to the ARC as follows:

Normal cost	\$ 164,705
Amortization of UAAL	<u>140,848</u>
Annual required contribution	<u>\$ 305,553</u>

The net OPEB obligation as of June 30, 2009 was calculated as follows:

Annual required contribution	\$ 305,553
Contributions made	<u>59,363</u>
Increase in net OPEB obligation	246,190
Net OPEB obligation at beginning of year	<u>--</u>
Net OPEB obligation at end of year	<u>\$ 246,190</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. Other Post-Employment Benefits (continued)

The City's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2009 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 305,553	19%	\$ 246,190

In future years the above information will be accumulated until 3 years of information is presented.

#### Funded status and funding progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amount determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents information about the actuarial value of plan assets and the unfunded actuarial liability.

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAL/ Payroll</u>
August 1, 2008	\$ --	\$ 1,739,267	\$ 1,739,267	\$ 0%	\$ 8,612,654	20.19%

#### Actuarial methods and assumptions

Actuarial valuations will be performed every two years for the County's OPEB plan. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and include the types of benefits provided at the time of each valuation and historical patterns of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the August 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used to determine contribution levels comprised of normal cost and amortization payments. The actuarial assumptions included a 4.5 percent rate for discounting future liabilities, a payroll growth rate of 3.75 percent per year, annual premium rate increases from 8 percent in 2009 to 5 percent in 2024, and participation rate of 70 percent of future retirees electing coverage under the plan. The unfunded actuarial accrued liability is being amortized using a level percent of payroll over a period of 15 years. As of August 1, 2008 the remaining amortization period is 14 years.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 13. Net assets restricted through enabling legislation

The amount of net assets restricted by enabling legislation is as follows:

#### Governmental Activities

##### Capital Projects:

City ordinance restricts the use of Transportation Impact Fees to capital improvements which expand the capacity of the street system	\$ 7,549,656
Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	<u>242,720</u>

Total capital projects	<u>\$ 7,792,376</u>
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Highways and streets – Article IX, Section 3a of the Oregon State Constitution restricts the use of revenue from taxes on motor vehicle fuel use	<u>\$ 422,186</u>
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#### Business-type Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	<u>\$ 1,492,504</u>
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## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 14. Segment information for Enterprise Funds

The City maintains two Enterprise utilities, which provide water and wastewater services. The water utility is accounted for in three funds and the wastewater utility in four funds.

Summary financial information for the water and wastewater utilities for the year ended June 30, 2009 is as follows:

Condensed statement of net assets	Water	Wastewater
<u>Assets</u>		
Current assets	\$ 7,521,605	\$ 2,163,968
Restricted cash and investments	153,572	28,222
Capital assets, net	<u>23,282,502</u>	<u>38,751,836</u>
Total assets	<u>30,957,679</u>	<u>40,944,026</u>
<u>Liabilities</u>		
Current liabilities	1,112,766	2,477,057
Noncurrent liabilities	<u>13,611,179</u>	<u>20,040,749</u>
Total liabilities	<u>14,723,945</u>	<u>22,517,806</u>
<u>Net assets</u>		
Invested in capital assets, net of related debt	9,114,521	17,197,553
Restricted	6,726,779	704,093
Unrestricted	<u>392,434</u>	<u>524,574</u>
Total net assets	<u>\$ 16,233,734</u>	<u>\$ 18,426,220</u>
<b>Condensed statement of revenues, expenses, and changes in net assets</b>		
Operating revenue	\$ 3,441,623	\$ 4,475,410
Depreciation expense	541,622	1,862,636
Other operating expenses	<u>1,604,836</u>	<u>2,571,515</u>
Operating income	1,295,165	41,259
Nonoperating revenues (expenses)	<u>(146,486)</u>	<u>(465,212)</u>
Income (loss) before contributions and transfers	1,148,679	(423,953)
Transfers in	642,675	1,320,529
Transfers out	<u>(929,885)</u>	<u>(1,713,854)</u>
Change in net assets	861,469	(817,278)
Net assets – beginning	<u>15,372,265</u>	<u>19,243,498</u>
Net assets – ending	<u>\$ 16,233,734</u>	<u>\$ 18,426,220</u>
<b>Condensed statement cash flows</b>		
Cash provided by operating activities	\$ 1,670,544	\$ 1,843,200
Cash (used in) noncapital financing activities	(287,210)	(482,670)
Cash (used in) capital and related financing activities	(888,964)	(1,776,938)
Cash provided by investing activities	<u>130,184</u>	<u>36,721</u>
Net increase (decrease) in cash	624,554	(379,687)
Cash - beginning of year	<u>6,068,863</u>	<u>2,202,551</u>
Cash - end of year	<u>\$ 6,693,417</u>	<u>\$ 1,822,864</u>

### 15. Contingencies - accumulated sick leave

Portions of sick leave accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2009, City employees had accumulated 3,596 days of sick leave.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 16. Risk management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### 17. Interfund transfers

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations and re-allocations of special revenues. The following schedule briefly summarizes the city's transfer activity:

Non-cash transfers occur between proprietary funds for payment of debt by a fund when the long-term obligation is reported in a different fund or when a proprietary fund acquires a capital asset which will be used in a different fund's operations.

Fund	Transfers In	
	In	Out
Governmental		
General	\$ 2,650	\$ 1,029,133
Street	130,000	292,753
Street/Storm Capital Improvement	1,656,077	-
Other	915,743	1,973,980
Proprietary type		
Enterprise funds		
Water	85,000	372,210
Water - non-cash	570,789	-
Water Well Construction - non-cash	-	382,468
Wastewater Treatment Plant	-	482,670
Wastewater Treatment Plant - non-cash	1,329,002	-
Wastewater Treatment Plant Construction - non-cash	-	841,751
Other - non-cash	-	563,452
Internal service funds	1,408,540	47,264
Governmental activities		
Transfer to business-type activities - non-cash	-	112,120
	<u>\$ 6,097,801</u>	<u>\$ 6,097,801</u>

### 18. Prior period adjustment

Net assets have been restated as of June 30, 2008 to correct an error in accounting for capital assets. A prior period adjustment in the amount of \$56,659 was made to governmental activities.

### 19. Expenditures in excess of appropriations

Oregon law prohibits expenditures of a fund in excess of City approved appropriations. The city council approves appropriations by department, if applicable, and by major function class (personal services, materials and services, capital outlay) for each fund.

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2009 occurred as follows:

<u>Fund/Appropriations</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General – Parks Maintenance	\$ 538,130	\$ 538,838	\$ (708)

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**CITY OF WOODBURN**

**TRANSPORTATION IMPACT FEE FUND - CAPITAL PROJECTS FUND (A MAJOR FUND)**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**

**For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 600,000	\$ 153,404	\$ (446,596)
Investment earnings	300,000	153,330	(146,670)
Miscellaneous	<u>-</u>	<u>22,169</u>	<u>22,169</u>
 TOTAL REVENUES	 <u>900,000</u>	 <u>328,903</u>	 <u>(571,097)</u>
 <b>EXPENDITURES</b>			
Design engineering	501,750	2,429	499,321
Construction	1,286,938	202,931	1,084,007
Contingencies	<u>3,401,389</u>	<u>-</u>	<u>3,401,389</u>
 TOTAL EXPENDITURES	 <u>5,190,077</u>	 <u>205,360</u>	 <u>4,984,717</u>
 Net change in fund balances	(4,290,077)	123,543	4,413,620
Fund balance at beginning of year	<u>7,426,115</u>	<u>7,426,113</u>	<u>(2)</u>
 Fund balance at end of year	 <u>\$ 3,136,038</u>	 <u>\$ 7,549,656</u>	 <u>\$ 4,413,618</u>

**CITY OF WOODBURN**

**STREET/STORM CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND (A MAJOR FUND)**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**

**For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Franchise fees	\$ 281,000	\$ 357,064	\$ 76,064
Intergovernmental	4,380,000	240,250	(4,139,750)
Investment earnings	25,000	10,957	(14,043)
Miscellaneous	-	2,807	2,807
<b>TOTAL REVENUES</b>	<u>4,686,000</u>	<u>611,078</u>	<u>(4,074,922)</u>
<b>EXPENDITURES</b>			
Administration	299,850	88,961	210,889
Design engineering	564,850	186,757	378,093
Construction engineering	15,000	1,000	14,000
Construction	4,068,717	1,843,618	2,225,099
Contingencies	255,195	-	255,195
<b>TOTAL EXPENDITURES</b>	<u>5,203,612</u>	<u>2,120,336</u>	<u>3,083,276</u>
Excess (deficiency) of revenues over expenditures	(517,612)	(1,509,258)	(991,646)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,656,077	(1,656,077)
Net change in fund balances	(517,612)	146,819	(991,646)
Fund balance at beginning of year	<u>517,612</u>	<u>517,611</u>	<u>(1)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 664,430</u>	<u>\$ (991,647)</u>



## CITY OF WOODBURN

**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**June 30, 2009**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,328,144	\$ 1,210,688	\$ 3,808,346	\$ 6,347,178
Receivables	<u>617,644</u>	<u>87,599</u>	<u>261,603</u>	<u>966,846</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,945,788</u></u>	<u><u>\$ 1,298,287</u></u>	<u><u>\$ 4,069,949</u></u>	<u><u>\$ 7,314,024</u></u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued items	18,327	400	33,851	52,578
Due to other funds	6	-	-	6
Deferred revenue	542,948	65,632	254,959	863,539
Matured coupons payable	<u>-</u>	<u>933</u>	<u>-</u>	<u>933</u>
<b>TOTAL LIABILITIES</b>	<u>561,281</u>	<u>66,965</u>	<u>288,810</u>	<u>917,056</u>
<b><u>FUND BALANCES</u></b>				
Reserved for debt service	-	1,231,322	-	1,231,322
Unreserved	<u>1,384,507</u>	<u>-</u>	<u>3,781,139</u>	<u>5,165,646</u>
<b>TOTAL FUND BALANCES</b>	<u>1,384,507</u>	<u>1,231,322</u>	<u>3,781,139</u>	<u>6,396,968</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,945,788</u></u>	<u><u>\$ 1,298,287</u></u>	<u><u>\$ 4,069,949</u></u>	<u><u>\$ 7,314,024</u></u>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>REVENUES</b>				
Property taxes	\$ 151,014	\$ 1,191,007	\$ -	\$ 1,342,021
System development charges		-	242,720	242,720
Franchise fees	13,275	-	-	13,275
Permits and fees	89,764	-	-	89,764
Intergovernmental	604,039	-	116,810	720,849
Interest	31,717	48,504	81,667	161,888
Miscellaneous	61,375	-	259,579	320,954
<b>TOTAL REVENUES</b>	<u>951,184</u>	<u>1,239,511</u>	<u>700,776</u>	<u>2,891,471</u>
<b>EXPENDITURES</b>				
General government	885,295	1,352	176,046	1,062,693
Public safety	3,400	-	-	3,400
Highways and streets	3,756	-	-	3,756
Debt service	47,043	897,588	37,469	982,100
Capital outlay	575,683	-	905,986	1,481,669
<b>TOTAL EXPENDITURES</b>	<u>1,515,177</u>	<u>898,940</u>	<u>1,119,501</u>	<u>3,533,618</u>
Excess (deficiency) of revenues over expenditures	<u>(563,993)</u>	<u>340,571</u>	<u>(418,725)</u>	<u>(642,147)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	70,170	-	845,573	915,743
Transfers out	(52,342)	(1,658,727)	(262,911)	(1,973,980)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>17,828</u>	<u>(1,658,727)</u>	<u>582,662</u>	<u>(1,058,237)</u>
Net change in fund balances	(546,165)	(1,318,156)	163,937	(1,700,384)
Fund balances - beginning	<u>1,930,672</u>	<u>2,549,478</u>	<u>3,617,202</u>	<u>8,097,352</u>
Fund balances - ending	<u>\$ 1,384,507</u>	<u>\$ 1,231,322</u>	<u>\$ 3,781,139</u>	<u>\$ 6,396,968</u>

## CITY OF WOODBURN

**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**June 30, 2009**

	General Operating Reserve	Transit System	Investigation and Seizure	Weed and Seed	State Revenue Sharing
<b><u>ASSETS</u></b>					
Cash and investments	\$ 73,386	\$ 57,512	\$ 3,305	\$ (98,209)	\$ 402,186
Receivables	-	11,722	-	-	59,693
<b>TOTAL ASSETS</b>	<b>\$ 73,386</b>	<b>\$ 69,234</b>	<b>\$ 3,305</b>	<b>\$ (98,209)</b>	<b>\$ 461,879</b>
<b><u>LIABILITIES</u></b>					
Accounts payable and accrued items	\$ -	\$ 42	\$ -	\$ 7,378	\$ -
Due to other funds	-	-	-	1	-
Deferred revenue	-	8,232	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>8,274</b>	<b>-</b>	<b>7,379</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>					
Unreserved	73,386	60,960	3,305	(105,588)	461,879
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 73,386</b>	<b>\$ 69,234</b>	<b>\$ 3,305</b>	<b>\$ (98,209)</b>	<b>\$ 461,879</b>

Housing Rehabilitation	Federal Programs	Cable Franchise Management	City Gas Tax	Building	Library Endowment	Museum Endowment	Totals
\$ 676,844	\$ 5,668	\$ 7,447	\$ 17,317	\$ 154,246	\$ 25,702	\$ 2,740	\$ 1,328,144
<u>534,716</u>	<u>-</u>	<u>-</u>	<u>11,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,644</u>
<u>\$ 1,211,560</u>	<u>\$ 5,668</u>	<u>\$ 7,447</u>	<u>\$ 28,830</u>	<u>\$ 154,246</u>	<u>\$ 25,702</u>	<u>\$ 2,740</u>	<u>\$ 1,945,788</u>
\$ 143	\$ -	\$ -	\$ -	\$ 10,764	\$ -	\$ -	\$ 18,327
-	5	-	-	-	-	-	6
<u>534,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,948</u>
<u>534,859</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>10,764</u>	<u>-</u>	<u>-</u>	<u>561,281</u>
<u>676,701</u>	<u>5,663</u>	<u>7,447</u>	<u>28,830</u>	<u>143,482</u>	<u>25,702</u>	<u>2,740</u>	<u>1,384,507</u>
<u>\$ 1,211,560</u>	<u>\$ 5,668</u>	<u>\$ 7,447</u>	<u>\$ 28,830</u>	<u>\$ 154,246</u>	<u>\$ 25,702</u>	<u>\$ 2,740</u>	<u>\$ 1,945,788</u>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2009**

	General Operating Reserve	Transit System	Investigation and Seizure	Weed and Seed	State Revenue Sharing
<b>REVENUES</b>					
Property taxes	\$ -	\$ 151,014	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-	-
Permits and fees	-	-	-	-	-
Intergovernmental	-	79,214	2,000	111,603	232,831
Interest	729	2,715	91	(1,626)	7,355
Miscellaneous	-	37,765	2,453	-	-
<b>TOTAL REVENUES</b>	<u>729</u>	<u>270,708</u>	<u>4,544</u>	<u>109,977</u>	<u>240,186</u>
<b>EXPENDITURES</b>					
General government	-	345,761	-	157,775	1,566
Public safety	-	-	3,400	-	-
Highways and streets	-	-	-	-	-
Debt service	-	-	-	-	47,043
Capital outlay	-	-	-	-	64,757
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>345,761</u>	<u>3,400</u>	<u>157,775</u>	<u>113,366</u>
Excess (deficiency) of revenues over expenditures	<u>729</u>	<u>(75,053)</u>	<u>1,144</u>	<u>(47,798)</u>	<u>126,820</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	41,911	-	-	-	-
Transfers out	-	(14,188)	-	(2,593)	(20,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>41,911</u>	<u>(14,188)</u>	<u>-</u>	<u>(2,593)</u>	<u>(20,000)</u>
Net change in fund balances	42,640	(89,241)	1,144	(50,391)	106,820
Fund balances - beginning	<u>30,746</u>	<u>150,201</u>	<u>2,161</u>	<u>(55,197)</u>	<u>355,059</u>
Fund balances - ending	<u>\$ 73,386</u>	<u>\$ 60,960</u>	<u>\$ 3,305</u>	<u>\$ (105,588)</u>	<u>\$ 461,879</u>

Housing Rehabilitation	Federal Programs	Cable Franchise Management	City Gas Tax	Building	Library Endowment	Museum Endowment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,014
-	-	13,275	-	-	-	-	13,275
-	-	-	-	89,764	-	-	89,764
-	59,721	-	118,670	-	-	-	604,039
13,444	232	141	3,428	4,646	508	54	31,717
13,563	1,184	4,324	-	2,086	-	-	61,375
<u>27,007</u>	<u>61,137</u>	<u>17,740</u>	<u>122,098</u>	<u>96,496</u>	<u>508</u>	<u>54</u>	<u>951,184</u>
24,890	83,346	21,371	-	250,586	-	-	885,295
-	-	-	-	-	-	-	3,400
-	-	-	3,756	-	-	-	3,756
-	-	-	-	-	-	-	47,043
-	-	-	510,926	-	-	-	575,683
<u>24,890</u>	<u>83,346</u>	<u>21,371</u>	<u>514,682</u>	<u>250,586</u>	<u>-</u>	<u>-</u>	<u>1,515,177</u>
<u>2,117</u>	<u>(22,209)</u>	<u>(3,631)</u>	<u>(392,584)</u>	<u>(154,090)</u>	<u>508</u>	<u>54</u>	<u>(563,993)</u>
-	28,259	-	-	-	-	-	70,170
-	(2,593)	-	-	(12,968)	-	-	(52,342)
-	25,666	-	-	(12,968)	-	-	17,828
2,117	3,457	(3,631)	(392,584)	(167,058)	508	54	(546,165)
<u>674,584</u>	<u>2,206</u>	<u>11,078</u>	<u>421,414</u>	<u>310,540</u>	<u>25,194</u>	<u>2,686</u>	<u>1,930,672</u>
<u>\$ 676,701</u>	<u>\$ 5,663</u>	<u>\$ 7,447</u>	<u>\$ 28,830</u>	<u>\$ 143,482</u>	<u>\$ 25,702</u>	<u>\$ 2,740</u>	<u>\$ 1,384,507</u>

**CITY OF WOODBURN**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**June 30, 2009**

	Bonded Debt	Bancroft Bond Redemption	Urban Renewal Debt Service	Totals
<b><u>ASSETS</u></b>				
Cash and investments	\$ 91,369	\$ 7,483	\$ 1,111,836	\$ 1,210,688
Receivables	56,962	-	30,637	87,599
<b>TOTAL ASSETS</b>	<b><u>\$ 148,331</u></b>	<b><u>\$ 7,483</u></b>	<b><u>\$ 1,142,473</u></b>	<b><u>\$ 1,298,287</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued items	\$ 400	\$ -	\$ -	\$ 400
Deferred revenue	38,237	-	27,395	65,632
Matured coupons payable	-	933	-	933
<b>TOTAL LIABILITIES</b>	<b>38,637</b>	<b>933</b>	<b>27,395</b>	<b>66,965</b>
<b><u>FUND BALANCES</u></b>				
Reserved for debt service	<u>109,694</u>	<u>6,550</u>	<u>1,115,078</u>	<u>1,231,322</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 148,331</u></b>	<b><u>\$ 7,483</u></b>	<b><u>\$ 1,142,473</u></b>	<b><u>\$ 1,298,287</u></b>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUNDS  
For the Year Ended June 30, 2009**

	Bonded Debt	Bancroft Bond Redemption	Urban Renewal Debt Service	Totals
<b>REVENUES</b>				
Property taxes	\$ 680,692	\$ -	\$ 510,315	\$ 1,191,007
Interest	4,930	149	43,425	48,504
<b>TOTAL REVENUES</b>	<u>685,622</u>	<u>149</u>	<u>553,740</u>	<u>1,239,511</u>
<b>EXPENDITURES</b>				
General government	1,352	-	-	1,352
Debt Service	669,856	-	227,732	897,588
<b>TOTAL EXPENDITURES</b>	<u>671,208</u>	<u>-</u>	<u>227,732</u>	<u>898,940</u>
Excess (deficiency) of revenues over expenditures	14,414	149	326,008	340,571
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(1,658,727)	(1,658,727)
Net change in fund balances	14,414	149	(1,332,719)	(1,318,156)
Fund balances - beginning	95,280	6,401	2,447,797	2,549,478
Fund balances - ending	<u>\$ 109,694</u>	<u>\$ 6,550</u>	<u>\$ 1,115,078</u>	<u>\$ 1,231,322</u>



**CITY OF WOODBURN**

**COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS**

**June 30, 2009**

	Special Assessment	Parks Capital Improvement	Storm Water System Development
<b><u>ASSETS</u></b>			
Cash and investments	\$ 771,989	\$ 1,172,010	\$ 705,581
Receivables	<u>254,959</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,026,948</u></b>	<b><u>\$ 1,172,010</u></b>	<b><u>\$ 705,581</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued items	\$ -	\$ -	\$ -
Deferred revenue	<u>254,959</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>254,959</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCES</u></b>			
Unreserved	<u>771,989</u>	<u>1,172,010</u>	<u>705,581</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,026,948</u></b>	<b><u>\$ 1,172,010</u></b>	<b><u>\$ 705,581</u></b>

Public Works Facility Construction	Economic Development Revolving Loan	General Fund Capital Improvement	Equipment Replacement	Police Construction	Totals
\$ 20,153	\$ 142,886	\$ 131,586	\$ 352,239	\$ 511,902	\$ 3,808,346
-	-	6,644	-	-	261,603
<u>\$ 20,153</u>	<u>\$ 142,886</u>	<u>\$ 138,230</u>	<u>\$ 352,239</u>	<u>\$ 511,902</u>	<u>\$ 4,069,949</u>
\$ -	\$ -	\$ 33,851	\$ -	\$ -	\$ 33,851
-	-	-	-	-	254,959
-	-	33,851	-	-	288,810
<u>20,153</u>	<u>142,886</u>	<u>104,379</u>	<u>352,239</u>	<u>511,902</u>	<u>3,781,139</u>
<u>\$ 20,153</u>	<u>\$ 142,886</u>	<u>\$ 138,230</u>	<u>\$ 352,239</u>	<u>\$ 511,902</u>	<u>\$ 4,069,949</u>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
For the Year Ended June 30, 2009**

	Special Assessment	Parks Capital Improvement	Storm Water System Development
<b>REVENUES</b>			
System development charges	\$ -	\$ 223,695	\$ 19,025
Intergovernmental	-	-	-
Interest	14,603	18,077	14,054
Miscellaneous	<u>259,579</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>274,182</u>	<u>241,772</u>	<u>33,079</u>
<b>EXPENDITURES</b>			
General government	1,580	-	-
Debt service	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>33,593</u>
<b>TOTAL EXPENDITURES</b>	<u>1,580</u>	<u>-</u>	<u>33,593</u>
Excess (deficiency) of revenues over expenditures	<u>272,602</u>	<u>241,772</u>	<u>(514)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	146,512	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>146,512</u>	<u>-</u>
Net change in fund balances	272,602	388,284	(514)
Fund balances - beginning	<u>499,387</u>	<u>783,726</u>	<u>706,095</u>
Fund balances - ending	<u>\$ 771,989</u>	<u>\$ 1,172,010</u>	<u>\$ 705,581</u>

Public Works Facility Construction	Economic Development Revolving Loan	General Fund Capital Improvement	Equipment Replacement	Police Construction	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,720
-	-	62,210	54,600	-	116,810
426	3,155	13,379	6,726	11,247	81,667
-	-	-	-	-	259,579
426	3,155	75,589	61,326	11,247	700,776
-	-	-	-	174,466	176,046
-	37,469	-	-	-	37,469
3,800	-	751,189	117,404	-	905,986
3,800	37,469	751,189	117,404	174,466	1,119,501
(3,374)	(34,314)	(675,600)	(56,078)	(163,219)	(418,725)
-	-	495,573	129,000	74,488	845,573
-	-	(262,911)	-	-	(262,911)
-	-	232,662	129,000	74,488	582,662
(3,374)	(34,314)	(442,938)	72,922	(88,731)	163,937
23,527	177,200	547,317	279,317	600,633	3,617,202
<u>\$ 20,153</u>	<u>\$ 142,886</u>	<u>\$ 104,379</u>	<u>\$ 352,239</u>	<u>\$ 511,902</u>	<u>\$ 3,781,139</u>

**CITY OF WOODBURN**

**GENERAL OPERATING RESERVE - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 1,300	\$ 729	\$ (571)
<b>EXPENDITURES</b>			
Contingencies	<u>73,911</u>	<u>-</u>	<u>73,911</u>
Excess (deficiency) of revenues over expenditures	(72,611)	729	73,340
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>41,911</u>	<u>41,911</u>	<u>-</u>
Net change in fund balances	(30,700)	42,640	73,340
Fund balance at beginning of year	<u>30,700</u>	<u>30,746</u>	<u>46</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 73,386</u>	<u>\$ 73,386</u>

**CITY OF WOODBURN**

**TRANSIT SYSTEM - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 154,000	\$ 151,014	\$ (2,986)
Intergovernmental	140,000	79,214	(60,786)
Investment earnings	1,000	2,715	1,715
Charges for services	23,000	27,913	4,913
Miscellaneous	<u>6,000</u>	<u>9,852</u>	<u>3,852</u>
 TOTAL REVENUES	 <u>324,000</u>	 <u>270,708</u>	 <u>(53,292)</u>
 <b>EXPENDITURES</b>			
City Transit System	175,699	168,270	7,429
Dial-a-Ride Program	215,672	177,491	38,181
Contingencies	<u>54,042</u>	<u>-</u>	<u>54,042</u>
 TOTAL EXPENDITURES	 <u>445,413</u>	 <u>345,761</u>	 <u>99,652</u>
 Excess (deficiency) of revenues over expenditures	 (121,413)	 (75,053)	 46,360
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(14,188)</u>	<u>(14,188)</u>	<u>-</u>
 Net change in fund balances	 (135,601)	 (89,241)	 46,360
Fund balance at beginning of year	<u>150,201</u>	<u>150,201</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 14,600</u>	 <u>\$ 60,960</u>	 <u>\$ 46,360</u>

**CITY OF WOODBURN**

**INVESTIGATION AND SEIZURE - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 2,000	\$ 2,000
Investment earnings	200	91	(109)
Miscellaneous	<u>-</u>	<u>2,453</u>	<u>2,453</u>
 TOTAL REVENUES	 200	 4,544	 4,344
 <b>EXPENDITURES</b>			
Materials and services	<u>3,400</u>	<u>3,400</u>	<u>-</u>
 Net change in fund balances	 (3,200)	 1,144	 4,344
Fund balance at beginning of year	<u>3,200</u>	<u>2,161</u>	<u>(1,039)</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 3,305</u>	 <u>\$ 3,305</u>

**CITY OF WOODBURN**

**WEED AND SEED - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 226,279	\$ 111,603	\$ (114,676)
Investment earnings	<u>-</u>	<u>(1,626)</u>	<u>(1,626)</u>
<b>TOTAL REVENUES</b>	<u>226,279</u>	<u>109,977</u>	<u>(116,302)</u>
<b>EXPENDITURES</b>			
Police services	61,244	29,245	31,999
Leisure services	68,683	46,863	21,820
Administration	<u>92,246</u>	<u>81,667</u>	<u>10,579</u>
<b>TOTAL EXPENDITURES</b>	<u>222,173</u>	<u>157,775</u>	<u>64,398</u>
Excess (deficiency) of revenues over expenditures	4,106	(47,798)	(51,904)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(4,106)</u>	<u>(2,593)</u>	<u>1,513</u>
Net change in fund balances	-	(50,391)	(50,391)
Fund balance at beginning of year	<u>-</u>	<u>(55,197)</u>	<u>(55,197)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (105,588)</u>	<u>\$ (105,588)</u>



**CITY OF WOODBURN**

**STATE REVENUE SHARING - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 190,000	\$ 232,831	\$ 42,831
Investment earnings	<u>10,000</u>	<u>7,355</u>	<u>(2,645)</u>
<b>TOTAL REVENUES</b>	<u>200,000</u>	<u>240,186</u>	<u>40,186</u>
<b>EXPENDITURES</b>			
Design engineering	5,000	1,566	3,434
Construction engineering	5,300	-	5,300
Construction	345,600	64,757	280,843
Debt service	47,044	47,043	1
Contingencies	<u>132,115</u>	<u>-</u>	<u>132,115</u>
<b>TOTAL EXPENDITURES</b>	<u>535,059</u>	<u>113,366</u>	<u>421,693</u>
Excess (deficiency) of revenues over expenditures	(335,059)	126,820	461,879
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	(355,059)	106,820	461,879
Fund balance at beginning of year	<u>355,059</u>	<u>355,059</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 461,879</u>	<u>\$ 461,879</u>

**CITY OF WOODBURN**

**HOUSING REHABILITATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 25,000	\$ 13,444	\$ (11,556)
Miscellaneous	<u>17,800</u>	<u>13,563</u>	<u>(4,237)</u>
<b>TOTAL REVENUES</b>	<u>42,800</u>	<u>27,007</u>	<u>(15,793)</u>
<b>EXPENDITURES</b>			
Personal services	11,329	9,580	1,749
Materials and services	16,100	15,310	790
Contingencies	<u>689,956</u>	<u>-</u>	<u>689,956</u>
<b>TOTAL EXPENDITURES</b>	<u>717,385</u>	<u>24,890</u>	<u>692,495</u>
Net change in fund balances	(674,585)	2,117	676,702
Fund balance at beginning of year	<u>674,585</u>	<u>674,584</u>	<u>(1)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 676,701</u>	<u>\$ 676,701</u>

**CITY OF WOODBURN**

**FEDERAL PROGRAMS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 63,054	\$ 59,721	\$ (3,333)
Investment earnings	200	232	32
Miscellaneous	<u>1,200</u>	<u>1,184</u>	<u>(16)</u>
<b>TOTAL REVENUES</b>	<u>64,454</u>	<u>61,137</u>	<u>(3,317)</u>
<b>EXPENDITURES</b>			
Personal services	76,915	75,148	1,767
Materials and services	9,420	8,198	1,222
Contingencies	<u>1,713</u>	<u>-</u>	<u>1,713</u>
<b>TOTAL EXPENDITURES</b>	<u>88,048</u>	<u>83,346</u>	<u>4,702</u>
Excess (deficiency) of revenues over expenditures	<u>(23,594)</u>	<u>(22,209)</u>	<u>1,385</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	28,259	28,259	-
Transfers out	<u>(2,593)</u>	<u>(2,593)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>25,666</u>	<u>25,666</u>	<u>-</u>
Net change in fund balances	2,072	3,457	1,385
Fund balance at beginning of year	<u>2,208</u>	<u>2,206</u>	<u>(2)</u>
Fund balance at end of year	<u>\$ 4,280</u>	<u>\$ 5,663</u>	<u>\$ 1,383</u>

**CITY OF WOODBURN**

**CABLE FRANCHISE MANAGEMENT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Franchise fees	\$ 16,000	\$ 13,275	\$ (2,725)
Investment earnings	200	141	(59)
Miscellaneous	<u>4,000</u>	<u>4,324</u>	<u>324</u>
<b>TOTAL REVENUES</b>	<u>20,200</u>	<u>17,740</u>	<u>(2,460)</u>
<b>EXPENDITURES</b>			
Materials and services	22,000	21,371	629
Contingencies	<u>9,278</u>	<u>-</u>	<u>9,278</u>
<b>TOTAL EXPENDITURES</b>	<u>31,278</u>	<u>21,371</u>	<u>9,907</u>
Net change in fund balances	(11,078)	(3,631)	7,447
Fund balance at beginning of year	<u>11,078</u>	<u>11,078</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 7,447</u>	<u>\$ 7,447</u>

**CITY OF WOODBURN**

**CITY GAS TAX - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 117,000	\$ 118,670	\$ 1,670
Investment earnings	<u>12,000</u>	<u>3,428</u>	<u>(8,572)</u>
<b>TOTAL REVENUES</b>	<u>129,000</u>	<u>122,098</u>	<u>(6,902)</u>
<b>EXPENDITURES</b>			
Street maintenance	4,000	3,756	244
Design engineering	3,000	-	3,000
Construction	523,000	510,926	12,074
Contingencies	<u>20,414</u>	<u>-</u>	<u>20,414</u>
<b>TOTAL EXPENDITURES</b>	<u>550,414</u>	<u>514,682</u>	<u>35,732</u>
Net change in fund balances	(421,414)	(392,584)	28,830
Fund balance at beginning of year	<u>421,414</u>	<u>421,414</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 28,830</u>	<u>\$ 28,830</u>

**CITY OF WOODBURN**

**BUILDING - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Permits and fees	\$ 226,970	\$ 89,764	\$ (137,206)
Investment earnings	12,000	4,646	(7,354)
Miscellaneous	<u>6,500</u>	<u>2,086</u>	<u>(4,414)</u>
 TOTAL REVENUES	 <u>245,470</u>	 <u>96,496</u>	 <u>(148,974)</u>
 <b>EXPENDITURES</b>			
Personal services	326,157	231,367	94,790
Materials and services	42,525	19,219	23,306
Contingencies	<u>127,730</u>	<u>-</u>	<u>127,730</u>
 TOTAL EXPENDITURES	 <u>496,412</u>	 <u>250,586</u>	 <u>245,826</u>
 Excess (deficiency) of revenues over expenditures	 (250,942)	 (154,090)	 96,852
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(12,968)</u>	<u>(12,968)</u>	<u>-</u>
 Net change in fund balances	 (263,910)	 (167,058)	 96,852
Fund balance at beginning of year	<u>310,540</u>	<u>310,540</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 46,630</u>	 <u>\$ 143,482</u>	 <u>\$ 96,852</u>

**CITY OF WOODBURN**

**LIBRARY ENDOWMENT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 1,000	\$ 508	\$ (492)
<b>EXPENDITURES</b>			
Contingencies	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Net change in fund balances	(25,000)	508	25,508
Fund balance at beginning of year	<u>25,000</u>	<u>25,194</u>	<u>194</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 25,702</u>	<u>\$ 25,702</u>

**CITY OF WOODBURN**

**MUSEUM ENDOWMENT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 350	\$ 54	\$ (296)
<b>EXPENDITURES</b>			
Contingencies	<u>3,050</u>	<u>-</u>	<u>3,050</u>
Net change in fund balances	(2,700)	54	2,754
Fund balance at beginning of year	<u>2,700</u>	<u>2,686</u>	<u>(14)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,740</u>	<u>\$ 2,740</u>



**CITY OF WOODBURN**

**BONDED DEBT - DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 665,000	\$ 680,692	\$ 15,692
Investment earnings	<u>13,000</u>	<u>4,930</u>	<u>(8,070)</u>
 TOTAL REVENUES	 <u>678,000</u>	 <u>685,622</u>	 <u>7,622</u>
 <b>EXPENDITURES</b>			
Personal services	1,848	1,352	496
Debt service	670,000	669,856	144
Contingencies	<u>101,432</u>	<u>-</u>	<u>101,432</u>
 TOTAL EXPENDITURES	 <u>773,280</u>	 <u>671,208</u>	 <u>102,072</u>
 Net change in fund balances	 (95,280)	 14,414	 109,694
Fund balance at beginning of year	<u>95,280</u>	<u>95,280</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 109,694</u>	 <u>\$ 109,694</u>

**CITY OF WOODBURN**

**BANCROFT BOND REDEMPTION - DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 500	\$ 149	\$ (351)
<b>EXPENDITURES</b>			
Contingencies	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net change in fund balances	(6,500)	149	6,649
Fund balance at beginning of year	<u>6,500</u>	<u>6,401</u>	<u>(99)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 6,550</u>	<u>\$ 6,550</u>

**CITY OF WOODBURN**

**URBAN RENEWAL DEBT SERVICE - DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 524,000	\$ 510,315	\$ (13,685)
Investment earnings	<u>55,000</u>	<u>43,425</u>	<u>(11,575)</u>
<b>TOTAL REVENUES</b>	<u>579,000</u>	<u>553,740</u>	<u>(25,260)</u>
<b>EXPENDITURES</b>			
Debt service	2,293,000	227,732	2,065,268
Contingencies	<u>387,548</u>	<u>-</u>	<u>387,548</u>
<b>TOTAL EXPENDITURES</b>	<u>2,680,548</u>	<u>227,732</u>	<u>2,452,816</u>
Excess (deficiency) of revenues over expenditures	(2,101,548)	326,008	2,427,556
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(1,658,727)</u>	<u>(1,658,727)</u>
Net change in fund balances	(2,101,548)	(1,332,719)	768,829
Fund balance at beginning of year	<u>2,443,548</u>	<u>2,447,797</u>	<u>4,249</u>
Fund balance at end of year	<u>\$ 342,000</u>	<u>\$ 1,115,078</u>	<u>\$ 773,078</u>

**CITY OF WOODBURN**

**SPECIAL ASSESSMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 20,000	\$ 14,603	\$ (5,397)
Miscellaneous	<u>68,000</u>	<u>259,579</u>	<u>191,579</u>
<b>TOTAL REVENUES</b>	<u>88,000</u>	<u>274,182</u>	<u>186,182</u>
<b>EXPENDITURES</b>			
Administration	1,000	170	830
Design engineering	5,000	-	5,000
Construction engineering	3,000	-	3,000
Construction	218,000	1,410	216,590
Contingencies	<u>610,387</u>	<u>-</u>	<u>610,387</u>
<b>TOTAL EXPENDITURES</b>	<u>837,387</u>	<u>1,580</u>	<u>835,807</u>
Excess (deficiency) of revenues over expenditures	(749,387)	272,602	1,021,989
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term obligations	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net change in fund balances	(499,387)	272,602	771,989
Fund balance at beginning of year	<u>499,387</u>	<u>499,387</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 771,989</u>	<u>\$ 771,989</u>

**CITY OF WOODBURN**

**PARKS CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 90,000	\$ 223,695	\$ 133,695
Investment earnings	<u>23,875</u>	<u>18,077</u>	<u>(5,798)</u>
 TOTAL REVENUES	 113,875	 241,772	 127,897
 <b>EXPENDITURES</b>			
Contingencies	<u>1,065,117</u>	<u>-</u>	<u>1,065,117</u>
 Excess (deficiency) of revenues over expenditures	 <u>(951,242)</u>	 <u>241,772</u>	 <u>1,193,014</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	374,516	146,512	(228,004)
Transfers out	<u>(207,000)</u>	<u>-</u>	<u>207,000</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>167,516</u>	 <u>146,512</u>	 <u>(21,004)</u>
 Net change in fund balances	 (783,726)	 388,284	 1,172,010
Fund balance at beginning of year	<u>783,726</u>	<u>783,726</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 1,172,010</u>	 <u>\$ 1,172,010</u>

**CITY OF WOODBURN**

**STORM WATER SYSTEM DEVELOPMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 48,000	\$ 19,025	\$ (28,975)
Investment earnings	<u>30,000</u>	<u>14,054</u>	<u>(15,946)</u>
 TOTAL REVENUES	 <u>78,000</u>	 <u>33,079</u>	 <u>(44,921)</u>
 <b>EXPENDITURES</b>			
Design engineering	10,000	-	10,000
Construction engineering	34,300	-	34,300
Construction	619,200	33,593	585,607
Contingencies	<u>89,701</u>	<u>-</u>	<u>89,701</u>
 TOTAL EXPENDITURES	 <u>753,201</u>	 <u>33,593</u>	 <u>719,608</u>
 Net change in fund balances	 (675,201)	 (514)	 674,687
Fund balance at beginning of year	<u>706,095</u>	<u>706,095</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 30,894</u>	 <u>\$ 705,581</u>	 <u>\$ 674,687</u>

**CITY OF WOODBURN**

**PUBLIC WORKS FACILITY CONSTRUCTION - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 1,000	\$ 426	\$ (574)
<b>EXPENDITURES</b>			
Design engineering	19,566	3,800	15,766
Contingencies	<u>5,059</u>	<u>-</u>	<u>5,059</u>
<b>TOTAL EXPENDITURES</b>	<u>24,625</u>	<u>3,800</u>	<u>20,825</u>
Net change in fund balances	(23,625)	(3,374)	20,251
Fund balance at beginning of year	<u>23,625</u>	<u>23,527</u>	<u>(98)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 20,153</u>	<u>\$ 20,153</u>

**CITY OF WOODBURN**

**ECONOMIC DEVELOPMENT REVOLVING LOAN - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 8,000	\$ 3,155	\$ (4,845)
<b>EXPENDITURES</b>			
Personal services	5,000	-	5,000
Debt service	37,469	37,469	-
Contingencies	<u>142,731</u>	<u>-</u>	<u>142,731</u>
<b>TOTAL EXPENDITURES</b>	<u>185,200</u>	<u>37,469</u>	<u>147,731</u>
Net change in fund balances	(177,200)	(34,314)	142,886
Fund balance at beginning of year	<u>177,200</u>	<u>177,200</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 142,886</u>	<u>\$ 142,886</u>



**CITY OF WOODBURN**

**GENERAL FUND CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 171,129	\$ 62,210	\$ (108,919)
Investment earnings	10,000	13,379	3,379
Miscellaneous	<u>32,500</u>	<u>-</u>	<u>(32,500)</u>
<b>TOTAL REVENUES</b>	<u>213,629</u>	<u>75,589</u>	<u>(138,040)</u>
<b>EXPENDITURES</b>			
Construction program	700,673	667,122	33,551
Capital outlay	100,000	84,067	15,933
Contingencies	<u>95,930</u>	<u>-</u>	<u>95,930</u>
<b>TOTAL EXPENDITURES</b>	<u>896,603</u>	<u>751,189</u>	<u>145,414</u>
Excess (deficiency) of revenues over expenditures	<u>(682,974)</u>	<u>(675,600)</u>	<u>7,374</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	702,573	495,573	(207,000)
Transfers out	<u>(490,915)</u>	<u>(262,911)</u>	<u>228,004</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>211,658</u>	<u>232,662</u>	<u>21,004</u>
Net change in fund balances	(471,316)	(442,938)	28,378
Fund balance at beginning of year	<u>547,316</u>	<u>547,317</u>	<u>1</u>
Fund balance at end of year	<u>\$ 76,000</u>	<u>\$ 104,379</u>	<u>\$ 28,379</u>

**CITY OF WOODBURN**

**EQUIPMENT REPLACEMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 49,500	\$ 54,600	\$ 5,100
Investment earnings	<u>10,000</u>	<u>6,726</u>	<u>(3,274)</u>
 TOTAL REVENUES	 59,500	 61,326	 1,826
 <b>EXPENDITURES</b>			
Capital outlay	<u>467,097</u>	<u>117,404</u>	<u>349,693</u>
 Excess (deficiency) of revenues over expenditures	 (407,597)	 (56,078)	 351,519
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>129,000</u>	<u>129,000</u>	<u>-</u>
 Net change in fund balances	 (278,597)	 72,922	 351,519
Fund balance at beginning of year	<u>278,597</u>	<u>279,317</u>	<u>720</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 352,239</u>	 <u>\$ 352,239</u>

**CITY OF WOODBURN**

**POLICE CONSTRUCTION - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 8,000	\$ 11,247	\$ 3,247
<b>EXPENDITURES</b>			
Materials and services	30,000	-	30,000
Capital outlay	578,633	174,466	404,167
Contingencies	<u>74,488</u>	<u>-</u>	<u>74,488</u>
<b>TOTAL EXPENDITURES</b>	<u>683,121</u>	<u>174,466</u>	<u>508,655</u>
Excess (deficiency) of revenues over expenditures	(675,121)	(163,219)	511,902
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>74,488</u>	<u>74,488</u>	<u>-</u>
Net change in fund balances	(600,633)	(88,731)	511,902
Fund balance at beginning of year	<u>600,633</u>	<u>600,633</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 511,902</u>	<u>\$ 511,902</u>

**CITY OF WOODBURN**

**WATER - ENTERPRISE FUND (A MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,762,818	\$ 1,799,104	\$ 36,286
Investment earnings	30,000	14,773	(15,227)
Miscellaneous	<u>47,000</u>	<u>40,950</u>	<u>(6,050)</u>
<b>TOTAL REVENUES</b>	<u>1,839,818</u>	<u>1,854,827</u>	<u>15,009</u>
<b>EXPENDITURES</b>			
Water supply	1,313,657	1,266,573	47,084
Meter reading/accounting	297,690	237,694	59,996
Water administration	62,596	59,353	3,243
Contingencies	<u>467,733</u>	<u>-</u>	<u>467,733</u>
<b>TOTAL EXPENDITURES</b>	<u>2,141,676</u>	<u>1,563,620</u>	<u>578,056</u>
Excess (deficiency) of revenues over expenditures	<u>(301,858)</u>	<u>291,207</u>	<u>593,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	85,000	85,000	-
Transfers out	<u>(372,210)</u>	<u>(372,210)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(287,210)</u>	<u>(287,210)</u>	<u>-</u>
Net change in fund balances	(589,068)	3,997	593,065
Fund balance at beginning of year	<u>639,986</u>	<u>639,986</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,918</u>	643,983	<u>\$ 593,065</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Inventories		130,561	
Capital assets, net		23,282,502	
Accrued interest payable		(347,830)	
Compensated absences payable		(34,280)	
Long-term obligations		<u>(14,167,981)</u>	
Net assets-ending		<u>\$ 9,506,955</u>	

**CITY OF WOODBURN**

**WATER WELL CONSTRUCTION - ENTERPRISE FUND (A MAJOR FUND)**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**

**For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,702,268	\$ 1,643,074	\$ (59,194)
Investment earnings	160,000	94,791	(65,209)
Miscellaneous	<u>500</u>	<u>-</u>	<u>(500)</u>
<b>TOTAL REVENUES</b>	<u>1,862,768</u>	<u>1,737,865</u>	<u>(124,903)</u>
<b>EXPENDITURES</b>			
Design engineering	54,926	11,033	43,893
Construction engineering	79,350	741	78,609
Right of way	2,500	-	2,500
Construction	680,949	14,041	666,908
Debt service	753,673	753,673	-
Contingencies	<u>3,889,557</u>	<u>-</u>	<u>3,889,557</u>
<b>TOTAL EXPENDITURES</b>	<u>5,460,955</u>	<u>779,488</u>	<u>4,681,467</u>
Net change in fund balances	(3,598,187)	958,377	4,556,564
Fund balance at beginning of year	<u>4,352,187</u>	<u>4,834,187</u>	<u>482,000</u>
Fund balance at end of year	<u>\$ 754,000</u>	<u>\$ 5,792,564</u>	<u>\$ 5,038,564</u>

**Reconciliation to generally accepted accounting principles**

Net assets-ending	<u>\$ 5,792,564</u>
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**CITY OF WOODBURN**

**WASTEWATER TREATMENT PLANT - ENTERPRISE FUND (A MAJOR FUND)**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**

**For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 2,425,686	\$ 2,446,714	\$ 21,028
Fines and forfeitures	1,000	-	(1,000)
Investment earnings	15,000	9,602	(5,398)
Miscellaneous	<u>5,000</u>	<u>9,052</u>	<u>4,052</u>
 TOTAL REVENUES	 <u>2,446,686</u>	 <u>2,465,368</u>	 <u>18,682</u>
 <b>EXPENDITURES</b>			
Wastewater treatment plant operations	1,761,399	1,554,912	206,487
Sewer administration	287,896	241,193	46,703
Sewer line maintenance	65,200	59,366	5,834
Contingencies	<u>173,332</u>	<u>-</u>	<u>173,332</u>
 TOTAL EXPENDITURES	 <u>2,287,827</u>	 <u>1,855,471</u>	 <u>432,356</u>
 Excess (deficiency) of revenues over expenditures	 158,859	 609,897	 451,038
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(482,670)</u>	<u>(482,670)</u>	<u>-</u>
 Net change in fund balances	 (323,811)	 127,227	 451,038
Fund balance at beginning of year	<u>403,160</u>	<u>403,160</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 79,349</u>	 530,387	 <u>\$ 451,038</u>
 <b>Reconciliation to generally accepted accounting principles</b>			
Inventories		87,966	
Capital assets, net		38,751,836	
Accrued interest payable		(153,474)	
Compensated absences payable		(35,740)	
Long-term obligations		<u>(21,554,283)</u>	
 Net assets-ending		 <u>\$ 17,626,692</u>	

**CITY OF WOODBURN**

**WASTEWATER TREATMENT PLANT CONSTRUCTION  
ENTERPRISE FUND (A MAJOR FUND)  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 2,008,141	\$ 2,028,696	\$ 20,555
Investment earnings	<u>30,000</u>	<u>8,375</u>	<u>(21,625)</u>
<b>TOTAL REVENUES</b>	<u>2,038,141</u>	<u>2,037,071</u>	<u>(1,070)</u>
<b>EXPENDITURES</b>			
Design engineering	790,300	717,224	73,076
Construction engineering	3,900	2,600	1,300
Right-of-way	8,780	-	8,780
Construction	369,120	326,692	42,428
Debt service	1,763,440	1,763,439	1
Contingencies	<u>223,244</u>	<u>-</u>	<u>223,244</u>
<b>TOTAL EXPENDITURES</b>	<u>3,158,784</u>	<u>2,809,955</u>	<u>348,829</u>
Excess (deficiency) of revenues over expenditures	(1,120,643)	(772,884)	347,759
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term obligations	<u>1,145,000</u>	<u>562,045</u>	<u>(582,955)</u>
Net change in fund balances	24,357	(210,839)	(235,196)
Fund balance at beginning of year	<u>838,643</u>	<u>356,643</u>	<u>(482,000)</u>
Fund balance at end of year	<u>\$ 863,000</u>	<u>\$ 145,804</u>	<u>\$ (717,196)</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Net assets-ending		<u>\$ 145,804</u>	

**CITY OF WOODBURN**  
**COMBINING STATEMENT OF NET ASSETS**  
**OTHER ENTERPRISE FUNDS**  
**June 30, 2009**

	Water System Development	Wastewater Capital Improvement	Wastewater System Development	Totals
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 934,215	\$ 95,435	\$ 558,289	\$ 1,587,939
<b>NET ASSETS</b>				
Restricted for capital projects	934,215	-	558,289	1,492,504
Unrestricted	<u>-</u>	<u>95,435</u>	<u>-</u>	<u>95,435</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 934,215</u>	<u>\$ 95,435</u>	<u>\$ 558,289</u>	<u>\$ 1,587,939</u>



**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
OTHER ENTERPRISE FUNDS  
For the Year Ended June 30, 2009**

	Water System Development	Wastewater Capital Improvement	Wastewater System Development	Totals
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest	\$ 20,620	\$ 2,143	\$ 16,601	\$ 39,364
System development charges	270,533	-	387,433	657,966
Interest expense	<u>(217,503)</u>	<u>(29,102)</u>	<u>(212,682)</u>	<u>(459,287)</u>
Total non-operating revenue (expenses)	<u>73,650</u>	<u>(26,959)</u>	<u>191,352</u>	<u>238,043</u>
Income (loss) before transfers	73,650	(26,959)	191,352	238,043
<b>TRANSFERS</b>	-	-	-	-
Transfers out	<u>(188,321)</u>	<u>-</u>	<u>(375,131)</u>	<u>(563,452)</u>
Change in net assets	(114,671)	(26,959)	(183,779)	(325,409)
Net assets - beginning of year	<u>1,048,886</u>	<u>122,394</u>	<u>742,068</u>	<u>1,913,348</u>
Net assets - end of year	<u>\$ 934,215</u>	<u>\$ 95,435</u>	<u>\$ 558,289</u>	<u>\$ 1,587,939</u>

**CITY OF WOODBURN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**OTHER ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2009**

	Water System <u>Development</u>	Wastewater Capital <u>Improvement</u>	Wastewater System <u>Development</u>	<u>Totals</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
System development charges	\$ 270,533	\$ -	\$ 387,433	\$ 657,966
Principal paid on long-term obligations	(188,321)	-	(375,131)	(563,452)
Interest paid on long-term obligations	<u>(217,503)</u>	<u>(29,102)</u>	<u>(212,682)</u>	<u>(459,287)</u>
Net cash (used in) capital and related financing activities	(135,291)	(29,102)	(200,380)	(364,773)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	<u>20,620</u>	<u>2,143</u>	<u>16,601</u>	<u>39,364</u>
Net (decrease) in cash and cash equivalents	(114,671)	(26,959)	(183,779)	(325,409)
Cash and cash equivalents - beginning of year	<u>1,048,886</u>	<u>122,394</u>	<u>742,068</u>	<u>1,913,348</u>
Cash and cash equivalents - end of year	<u><u>\$ 934,215</u></u>	<u><u>\$ 95,435</u></u>	<u><u>\$ 558,289</u></u>	<u><u>\$ 1,587,939</u></u>

**CITY OF WOODBURN**

**WATER SYSTEM DEVELOPMENT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 375,000	\$ 270,533	\$ (104,467)
Investment earnings	<u>45,000</u>	<u>20,620</u>	<u>(24,380)</u>
 TOTAL REVENUES	 <u>420,000</u>	 <u>291,153</u>	 <u>(128,847)</u>
 <b>EXPENDITURES</b>			
Design engineering	10,000	-	10,000
Construction engineering	10,000	-	10,000
Construction	441,920	-	441,920
Debt service	405,824	405,824	-
Contingencies	<u>319,597</u>	<u>-</u>	<u>319,597</u>
 TOTAL EXPENDITURES	 <u>1,187,341</u>	 <u>405,824</u>	 <u>781,517</u>
 Net change in fund balances	 (767,341)	 (114,671)	 652,670
Fund balance at beginning of year	<u>1,048,886</u>	<u>1,048,886</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 281,545</u>	 <u>\$ 934,215</u>	 <u>\$ 652,670</u>

**Reconciliation to generally accepted accounting principles**

Net assets-ending	<u>\$ 934,215</u>
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**CITY OF WOODBURN**

**WASTEWATER CAPITAL IMPROVEMENT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 3,500	\$ 2,143	\$ (1,357)
<b>EXPENDITURES</b>			
Debt service	29,102	29,102	-
Contingencies	<u>97,169</u>	<u>-</u>	<u>97,169</u>
<b>TOTAL EXPENDITURES</b>	<u>126,271</u>	<u>29,102</u>	<u>97,169</u>
Net change in fund balances	(122,771)	(26,959)	95,812
Fund balance at beginning of year	<u>122,771</u>	<u>122,394</u>	<u>(377)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 95,435</u>	<u>\$ 95,435</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Net assets-ending		<u>\$ 95,435</u>	

**CITY OF WOODBURN**

**WASTEWATER SYSTEM DEVELOPMENT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 525,000	\$ 387,433	\$ (137,567)
Investment earnings	<u>39,000</u>	<u>16,601</u>	<u>(22,399)</u>
<b>TOTAL REVENUES</b>	<u>564,000</u>	<u>404,034</u>	<u>(159,966)</u>
<b>EXPENDITURES</b>			
Debt service	587,814	587,813	1
Contingencies	<u>468,254</u>	<u>-</u>	<u>468,254</u>
<b>TOTAL EXPENDITURES</b>	<u>1,056,068</u>	<u>587,813</u>	<u>468,255</u>
Net change in fund balances	(492,068)	(183,779)	308,289
Fund balance at beginning of year	<u>742,068</u>	<u>742,068</u>	<u>-</u>
Fund balance at end of year	<u>\$ 250,000</u>	<u>\$ 558,289</u>	<u>\$ 308,289</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Net assets-ending		<u>\$ 558,289</u>	

**CITY OF WOODBURN**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS**

**June 30, 2009**

	Information Services	Central Store Working Capital	Self-Insurance	Technical and Environmental Services	Building Maintenance	Totals
<b>ASSETS</b>						
Current assets						
Cash and investments	\$ 18,460	\$ 1,540	\$ 223,722	\$ 394,067	\$ 38,632	\$ 676,421
Receivables	-	-	-	958	-	958
Due from other funds	-	-	-	3,211	-	3,211
Prepaid expenses	-	(847)	-	-	-	(847)
Inventories	-	8,971	-	-	-	8,971
Total current assets	18,460	9,664	223,722	398,236	38,632	688,714
Capital assets, net	70,650	-	-	316,736	135,622	523,008
<b>TOTAL ASSETS</b>	<u>89,110</u>	<u>9,664</u>	<u>223,722</u>	<u>714,972</u>	<u>174,254</u>	<u>1,211,722</u>
<b>LIABILITIES</b>						
Accounts payable and accrued items	211	-	37,248	1,383	24,044	62,886
Due to other funds	-	-	-	-	-	-
Customer deposits	-	-	-	2,000	-	2,000
Compensated absences payable	13,803	-	-	44,400	24,512	82,715
<b>TOTAL LIABILITIES</b>	<u>14,014</u>	<u>-</u>	<u>37,248</u>	<u>47,783</u>	<u>48,556</u>	<u>147,601</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	70,650	-	-	316,736	135,622	523,008
Unrestricted	4,446	9,664	186,474	350,453	(9,924)	541,113
<b>TOTAL NET ASSETS</b>	<u>\$ 75,096</u>	<u>\$ 9,664</u>	<u>\$ 186,474</u>	<u>\$ 667,189</u>	<u>\$ 125,698</u>	<u>\$ 1,064,121</u>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2009**

	Information Services	Central Store Working Capital	Self-Insurance	Technical and Environmental Services	Building Maintenance	Totals
<b>OPERATING REVENUES</b>						
Charges for services	\$ 45,039	\$ -	\$ -	\$ 146,172	\$ -	\$ 191,211
Rents	-	-	-	-	709,000	709,000
Total operating revenues	45,039	-	-	146,172	709,000	900,211
<b>OPERATING EXPENSES</b>						
Personal services	270,927	-	21,174	983,223	337,602	1,612,926
Materials and services	281,017	10,032	525,751	142,405	390,350	1,349,555
Depreciation	20,904	-	-	19,827	3,868	44,599
Total operating expenses	572,848	10,032	546,925	1,145,455	731,820	3,007,080
Operating (loss)	(527,809)	(10,032)	(546,925)	(999,283)	(22,820)	(2,106,869)
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest	(1,560)	(55)	303	9,981	1,608	10,277
Other	-	7,743	476,572	64,129	4,553	552,997
Total non-operating revenue (expenses)	(1,560)	7,688	476,875	74,110	6,161	563,274
(Loss) before transfers	(529,369)	(2,344)	(70,050)	(925,173)	(16,659)	(1,543,595)
<b>TRANSFERS</b>						
Transfers in	546,540	-	-	861,000	1,000	1,408,540
Transfers out	-	-	-	(47,264)	-	(47,264)
Total transfers	546,540	-	-	813,736	1,000	1,361,276
Change in net assets	17,171	(2,344)	(70,050)	(111,437)	(15,659)	(182,319)
Net assets - beginning of year	57,925	12,008	256,524	778,626	141,357	1,246,440
Net assets - end of year	\$ 75,096	\$ 9,664	\$ 186,474	\$ 667,189	\$ 125,698	\$ 1,064,121

**CITY OF WOODBURN**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2009**

	Information Services	Central Store Working Capital	Self-Insurance	Technical and Environmental Services	Building Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 45,039	\$ -	\$ -	\$ 148,174	\$ 709,000	\$ 902,213
Payments to suppliers	(300,810)	(4,857)	(488,593)	(226,177)	(418,311)	(1,438,748)
Payments to employees	(269,996)	-	(21,174)	(976,182)	(338,347)	(1,605,699)
Other	-	7,743	476,572	83,816	4,553	572,684
Net cash provided by (used in) operating activities	(525,767)	2,886	(33,195)	(970,369)	(43,105)	(1,569,550)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers in	546,540	-	-	861,000	1,000	1,408,540
Transfers out	-	-	-	(47,264)	-	(47,264)
Net cash provided by non-capital financing activities	546,540	-	-	813,736	1,000	1,361,276
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(4,779)	-	-	(12,452)	-	(17,231)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest	(1,560)	(55)	303	9,981	1,608	10,277
Net increase (decrease) in cash and cash equivalents	14,434	2,831	(32,892)	(159,104)	(40,497)	(215,228)
Cash and cash equivalents - beginning of year	4,026	(1,291)	256,614	553,171	79,129	891,649
Cash and cash equivalents - end of year	\$ 18,460	\$ 1,540	\$ 223,722	\$ 394,067	\$ 38,632	\$ 676,421
<b>Reconciliation of operating (loss) to net cash provided by (used in) operating activities</b>						
Operating (loss)	\$ (527,809)	\$ (10,032)	\$ (546,925)	\$ (999,283)	\$ (22,820)	\$ (2,106,869)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities						
Depreciation	20,904	-	-	19,827	3,868	44,599
Other	-	7,743	476,572	64,129	4,553	552,997
(Increase) decrease in assets						
Receivables	-	-	-	2,002	-	2,002
Due from other funds	-	-	-	16,476	-	16,476
Prepaid items	-	2,247	-	-	-	2,247
Inventory	-	2,747	-	-	-	2,747
Increase (decrease) in liabilities						
Accounts payable and accrued items	(919)	181	37,158	(5,787)	(3,465)	27,168
Due to other funds	(18,874)	-	-	(74,774)	(24,496)	(118,144)
Compensated absences payable	931	-	-	7,041	(745)	7,227
Net cash provided by (used in) operating activities	\$ (525,767)	\$ 2,886	\$ (33,195)	\$ (970,369)	\$ (43,105)	\$ (1,569,550)



**CITY OF WOODBURN**

**INFORMATION SERVICES - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 35,000	\$ 40,057	\$ 5,057
Investment earnings	1,000	(1,560)	(2,560)
Miscellaneous	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
 TOTAL REVENUES	 <u>38,000</u>	 <u>38,497</u>	 <u>497</u>
 <b>EXPENDITURES</b>			
Personal services	292,627	269,996	22,631
Materials and services	181,800	180,367	1,433
Capital outlay	105,600	105,429	171
Contingencies	<u>7,334</u>	<u>-</u>	<u>7,334</u>
 TOTAL EXPENDITURES	 <u>587,361</u>	 <u>555,792</u>	 <u>31,569</u>
 Excess (deficiency) of revenues over expenditures	 (549,361)	 (517,295)	 32,066
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>551,307</u>	<u>551,522</u>	<u>215</u>
 Net change in fund balances	 1,946	 34,227	 32,281
Fund balance at beginning of year	<u>1,054</u>	<u>(15,978)</u>	<u>(17,032)</u>
 Fund balance at end of year	 <u>\$ 3,000</u>	 18,249	 <u>\$ 15,249</u>
 <b>Reconciliation to generally accepted accounting principles</b>			
Capital assets, net		70,650	
Compensated absences payable		<u>(13,803)</u>	
 Net assets-ending		 <u>\$ 75,096</u>	

**CITY OF WOODBURN**

**CENTRAL STORE WORKING CAPITAL - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ (55)	\$ (55)
Miscellaneous	<u>20,000</u>	<u>7,743</u>	<u>(12,257)</u>
<b>TOTAL REVENUES</b>	<u>20,000</u>	<u>7,688</u>	<u>(12,312)</u>
<b>EXPENDITURES</b>			
Materials and services	19,000	10,032	8,968
Contingencies	<u>12,000</u>	<u>-</u>	<u>12,000</u>
<b>TOTAL EXPENDITURES</b>	<u>31,000</u>	<u>10,032</u>	<u>20,968</u>
Net change in fund balances	(11,000)	(2,344)	8,656
Fund balance at beginning of year	<u>11,000</u>	<u>12,008</u>	<u>1,008</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,664</u>	<u>\$ 9,664</u>

**Reconciliation to generally accepted accounting principles**

Net assets-ending	<u>\$ 9,664</u>
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**CITY OF WOODBURN**

**SELF-INSURANCE - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	500	303	(197)
Miscellaneous	<u>493,652</u>	<u>476,572</u>	<u>(17,080)</u>
<b>TOTAL REVENUES</b>	<u>494,152</u>	<u>476,875</u>	<u>(17,277)</u>
<b>EXPENDITURES</b>			
Personal services	21,177	21,174	3
Materials and services	589,049	525,751	63,298
Contingencies	<u>140,450</u>	<u>-</u>	<u>140,450</u>
<b>TOTAL EXPENDITURES</b>	<u>750,676</u>	<u>546,925</u>	<u>203,751</u>
Net change in fund balances	(256,524)	(70,050)	186,474
Fund balance at beginning of year	<u>256,524</u>	<u>256,524</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 186,474</u>	<u>\$ 186,474</u>

**Reconciliation to generally accepted accounting principles**

Net assets-ending	<u>\$ 186,474</u>
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**CITY OF WOODBURN**

**TECHNICAL AND ENVIRONMENTAL SERVICES - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Permits and fees	\$ 117,000	\$ 56,639	\$ (60,361)
Charges for services	23,000	10,532	(12,468)
Investment earnings	18,000	9,981	(8,019)
Miscellaneous	<u>58,000</u>	<u>143,129</u>	<u>85,129</u>
 TOTAL REVENUES	 <u>216,000</u>	 <u>220,281</u>	 <u>4,281</u>
 <b>EXPENDITURES</b>			
Public works administration	225,194	208,928	16,266
Engineering division	963,023	872,214	90,809
Central garage	113,598	92,160	21,438
Contingencies	<u>187,918</u>	<u>-</u>	<u>187,918</u>
 TOTAL EXPENDITURES	 <u>1,489,733</u>	 <u>1,173,302</u>	 <u>316,431</u>
 Excess (deficiency) of revenues over expenditures	 <u>(1,273,733)</u>	 <u>(953,021)</u>	 <u>320,712</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	861,000	861,000	-
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>856,000</u>	 <u>856,000</u>	 <u>-</u>
 Net change in fund balances	 (417,733)	 (97,021)	 320,712
Fund balance at beginning of year	<u>491,874</u>	<u>491,874</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 74,141</u>	 394,853	 <u>\$ 320,712</u>
 <b>Reconciliation to generally accepted accounting principles</b>			
Capital assets, net		316,736	
Compensated absences payable		<u>(44,400)</u>	
 Net assets-ending		 <u>\$ 667,189</u>	

**CITY OF WOODBURN**

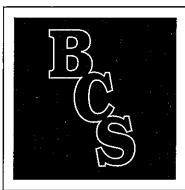
**BUILDING MAINTENANCE - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 5,000	\$ 1,608	\$ (3,392)
Miscellaneous	<u>709,000</u>	<u>713,553</u>	<u>4,553</u>
<b>TOTAL REVENUES</b>	<u>714,000</u>	<u>715,161</u>	<u>1,161</u>
<b>EXPENDITURES</b>			
Personal services	345,321	338,347	6,974
Materials and services	373,915	390,350	(16,435)
Contingencies	<u>10,340</u>	<u>-</u>	<u>10,340</u>
<b>TOTAL EXPENDITURES</b>	<u>729,576</u>	<u>728,697</u>	<u>879</u>
Excess (deficiency) of revenues over expenditures	(15,576)	(13,536)	2,040
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balances	(14,576)	(12,536)	2,040
Fund balance at beginning of year	<u>27,124</u>	<u>27,124</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,548</u>	14,588	<u>\$ 2,040</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Capital assets, net		135,622	
Compensated absences payable		<u>(24,512)</u>	
Net assets-ending		<u>\$ 125,698</u>	

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS  
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF  
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS]**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

- *Accounting Records and Internal Controls*
- *Collateral*
- *Indebtedness*
- *Budget*
- *Insurance and Fidelity Bonds*
- *Programs Funded from Outside Source*
- *Highway Funds*
- *Investments*
- *Public Contracts and Purchasing*



**BOLDT, CARLISLE & SMITH LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PARTNERSHIP ■ ASSURANCE ■ INNOVATION**

**CITY OF WOODBURN**

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS  
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF  
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS]**

**For the Year Ended June 30, 2009**

**162-010-0230 – ACCOUNTING RECORDS AND INTERNAL CONTROLS**

**1. Accounting records**

The entity's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

Through other reports and communications to management and those charged with governance, we have identified situations or practices that could be improved.

**2. Internal control**

In planning and performing our audit, we considered the entity's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS  
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF  
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS]**

**162-010-0230 – ACCOUNTING RECORDS AND INTERNAL CONTROLS (continued)**

2. Internal control (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**162-010-0240 – COLLATERAL**

ORS 295 requires deposits with financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation be held at qualifying institutions under the Public Funds Collateralization Program and that public officials provide the Office of the Oregon State Treasurer with the names of all bank depositories in which the City currently deposits public funds.

The City has complied with the provisions of ORS 295 as it pertains to the collateralization of public funds.

**162-010-0250 – INDEBTEDNESS**

1. Limitations on the amount incurred

The general obligation bonded debt of the entity is in compliance with the limitation imposed by ORS.

2. Liquidation provisions, debt agreement provisions, and restricted assets

We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the entity's short-term and long-term debt issues, and no breach of the debt agreements at June 30, 2009.

**162-010-0260 – BUDGET**

1. Current year

A. Preparation and adoption

The budget was prepared and adopted in compliance with legal requirements.



**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS  
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF  
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS]**

**162-010-0260 – BUDGET (continued)**

**B. Execution**

The budget was executed in compliance with legal requirements except for in the following instances where expenditures were in excess of appropriations in individual funds:

<u>Fund/Appropriation</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General			
Parks maintenance	\$ 538,130	\$ 538,838	\$ (708)
Building Maintenance			
Materials and services	373,915	390,350	(16,435)

**1. Subsequent year**

**Preparation and adoption**

The budget was prepared and adopted in compliance with legal requirements.

**2. Financial or organizational level of appropriations**

The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds, except the General, Street, Transit System, Parks Capital Improvement, Water, Water Well Construction, Wastewater Treatment Plant, and Technical and Environmental Services Funds for which budgetary control is established at the department level.

**162-010-0270 – INSURANCE AND FIDELITY BONDS**

**1. Insurance**

The City's insurance agent confirmed that the following policies were in force at June 30, 2009:

<b>Company</b>	<b>Policy Number</b>	<b>Coverage</b>	<b>Limit</b>	<b>Term</b>
City County Insurance	08LWDB	General and Auto Liability	\$5,000,000 CSL	07-01-07/09
	08APDWBD	Auto Physical Damage	Per Agreement	07-01-07/09
	08PWBD	Property/Mobile Equipment	\$52,255,226	07-01-07/09
	08BWBD	Boiler and Machinery	Per Property Schedule	07-01-07/09
NLC Mutual	08E	Excess Earthquake	N/A	07-01-07/09
Fidelity and Deposit	08C	Excess Crime	N/A	07-01-07/09

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS  
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF  
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS]**

**162-010-0270 – INSURANCE AND FIDELITY BONDS (continued)**

Our audit did not include a determination of adequacy of coverage since we are not trained to make such a determination. However, insurance coverage appears to comply with legal requirements.

**2. Fidelity Bonds**

The City has obtained fidelity bond coverage for the following personnel:

Finance officer	\$ 100,000
Public employees blanket bond	50,000

**162-010-0280 – PROGRAMS FUNDED FROM OUTSIDE SOURCES**

The City operated various programs funded wholly or partially by governmental agencies. Financial transactions of the various programs were audited to the extent deemed appropriate and were in compliance with applicable rules and regulations. In addition to our audit, these programs are subject to further review by state and federal audit agencies.

**162-010-0295 – HIGHWAY FUNDS**

The City used revenue from taxes on motor vehicle fuel use in compliance with ORS 373.240 to 373.250.

**162-010-0300 – INVESTMENTS**

Funds of the City were invested in compliance with ORS 294.035.

**162-010-0310 – PUBLIC CONTRACTS AND PURCHASING**

**1. Awarding of public contracts**

The City awarded public contracts in accordance with ORS 279.

**2. Construction of public improvements**

The City constructed public improvements in accordance with ORS 279.

**Boldt, Carlisle & Smith LLC**  
Certified Public Accountants  
Salem, Oregon  
February 10, 2010